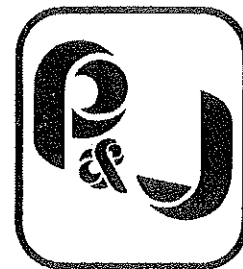

Comprehensive Annual
Financial Report
For the Year Ended June 30, 2010



CITY OF CENTRAL POINT
The Fair City Oregon

PURKEYPILE & JOHANNSEN
CERTIFIED PUBLIC ACCOUNTANTS LLP

ROBERT W. PURKEYPILE, CPA
FREDERIC C. JOHANNSEN, CPA
CHRISTOPHER V. DYE, CPA
TRAUDY J. BROWN



November 18, 2010

Mayor and City Council Members
City of Central Point
140 South Third Street
Central Point, OR 97502

AUDIT SCOPE AND REPORT

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central Point for the year ended June 30, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 1, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Central Point are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2010. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a

result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 18, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Audit tests performed included:

- Reading the City Council minutes, resolutions and ordinances to understand the extent to which the elected officials are advised of budget, accounting, and financial-related matters.
- Confirmation of major revenues such as property taxes and grants.
- Analytical review and detail tests of utility service revenue and related cash receipts, and operating expenditures.
- Testing the appropriateness of high dollar and randomly selected expenditures for materials and services, debt service and capital outlay by tracing to vendors' invoices, noting agreement of account and date to conclude that it was a proper expenditure.
- Reconciliation of payroll reports and records to the financial statements. Testing of randomly selected payroll disbursement to employees for the proper amount and classification of the expenditure.
- Analytical review of fringe benefits.
- Tracing retirement plan expenditures to the retirement plan reports.

In addition to these financial audit procedures designed to comply with generally accepted auditing standards, we also performed audit tests to comply with the requirements of the Oregon Municipal Audit Law and related administrative rules.

Our additional tests included:

- Review and evaluation of the City's internal accounting controls over its financial affairs in general.
- Review of the City's investment policy and specific investments to determine compliance with legal requirements.
- Review of bank FDIC Coverage of City deposits and collateral pledges covering deposits in excess of FDIC coverage.
- Review of the City's outstanding debt activity to determine compliance with legal and contractual requirements.
- Review of the City's budget process to determine that the budget is prepared, reviewed, adopted, and executed in accordance with the requirements of the Oregon Local Budget Law.
- Review of the City's insurance program to determine if coverage complies with state laws, the City Charter or other requirements.
- Review of the City's participation in programs funded by the State of Oregon.
- Review of the process used to award public contracts to ascertain compliance with the Oregon Public Contract Review Law.
- Review of the City's expenditure of state street tax revenues for compliance with related constitutional and statutory requirements.

Based on our audit, we conclude and report to you in the City's annual financial report that the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and the City Council's policies. The financial statements of the City fairly present the financial position and results of its operation for the year ended June 30, 2010.

The City has complied with the standards and expectations of the State of Oregon regarding its fiscal affairs and financial reporting. In addition, we reviewed the preparation, adoption, and execution of the budget for the current year and the adoption of the ensuing year's budget. In our opinion, the City has complied with statutory requirements for the current and ensuing year's budgets.

MANAGEMENT COMMENTS

In planning and performing our audit of the financial statements of the City of Central Point as of and for the year ended June 30, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the City of Central Point's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

We met and reviewed with management the prior year's management letter provided with your June 30, 2009 audit report. In addition, we discussed several minor areas the City could improve in regards to year-end classification, internal controls, recording and reconciliation of accounts.

We recommend the City Council and management continue to review and monitor the City's accounting processes in striving to improve procedural guidelines and consistency, while continuing to develop, evaluate and implement future internal controls. In addition, we suggest that as these new controls are developed, appropriate documentation of policy and procedure be created concurrently.

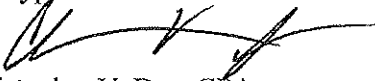
ACKNOWLEDGMENTS

In closing, we express our appreciation for the assistance of Bev Adams, Finance Director, and that of her staff during the audit.

This communication is intended solely for the use of the Mayor, City Council and management of the City of Central Point and is not intended to be and should not be used by anyone other than these specified parties.

If you have any questions concerning our audit, recommendations, or observations, please call.

Purkeypile & Johannsen CPA's LLP



Christopher V. Dye, CPA
Partner

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2010

Prepared by:

Bev Adams, Finance Director



**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

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**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

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City of Central Point, Oregon
140 S Third Street, Central Point, OR 97502
541.664.3321 Fax 541.664.6384
www.centralpointoregon.gov



Finance Department
Bev Adams, Finance Director

November 18, 2010

Honorable Mayor,
Members of the City Council,
And Citizens of the City of Central Point

Oregon statutes require that all general purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit the comprehensive annual financial report of the City of Central Point, Oregon for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the City of Central Point. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented here. To provide a reasonable basis for making these representations, management of the City of Central Point has established and maintains an internal control framework that is designed to protect the government's assets from loss, theft, or misuse; and to compile sufficient reliable information for the preparation of financial statements. Because the cost of internal controls should not outweigh their benefits, the City of Central Point's framework of internal controls has been designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The enclosed financial statements have been audited by Johannsen, Dye & Purkeypile, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Central Point for the fiscal year ending June 30, 2010, are free from material misstatement. The audit involved examining, on a test basis, evidence supporting the amount and disclosures in the financial statements; assessing accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditor concluded based on the audit performed, that there was a reasonable basis for rendering an unqualified opinion that the City of Central Point's financial statements are fairly presented in conformance with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

For financial reporting purposes, the City of Central Point is a primary government. The City is governed by a City Council that is elected by the voters at each general election. The financial statement includes all organizations and activities for which the elected officials exercise financial control, except for the Parks and Recreation Foundation. This component unit has not been included in the CAFR because it is not material to the overall financial statements of the City, nor is it a significant activity of the City. The City interacts and contracts with various other governmental entities but is not financially accountable to or for those entities.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Management Discussion and Analysis can be found immediately following the report of the independent auditors.

The City

The City of Central Point was incorporated in 1889. It currently encompasses an area of 3.52 square miles and has a population of over 17,000. The City is located in the northwestern part of Jackson County; bisected by Interstate 5. Approximately one-third of the city lies to the east of Interstate 5. Central Point borders Medford, the largest incorporated city in the county on the eastern and southern boundaries.

In terms of its physical development, the City of Central Point has been a relatively slow developing community, for many years retaining a rural community atmosphere. Only in recent past did the building boom of southern Oregon significantly alter the landscape of this small community with housing and commercial projects spurring population growth and impacting the need for services that accompany growth. Typically, the City's infrastructure serves a stable and slightly increasing population and requires expenditures primarily for maintenance and modernization of facilities rather than rapid growth. However, the impact of the nationwide economic recession has resulted in no significant growth in either population or residential or commercial projects.

City government provides a range of services, including police protection, construction and maintenance of streets, storm drains, water, building inspection, planning, economic development, parks and recreation. Fire protection, sanitary sewer services, public transportation, and public education services are provided by separate districts and are not a part of this financial report.

The City operates under a manager form of government. The City Council consists of a mayor and six councilors. Two council members are elected from the city at large, while the other four are elected from wards that divide the city into four sections. The mayor is the ceremonial head of the City and serves as presiding officer, voting only on issues that result in a tie vote. The mayor has the authority to preserve order, enforce the rules and determine the order of business at the council meetings. The mayor recommends the

appointments to various commissions and committees. The City Council is the legislative branch of Central Point's municipal government and the people's elected representatives. Council meetings are open public meetings where the council makes local laws, policies and basic decisions for the municipality. The positions of mayor and three council members are elected every other year with the general election of the State of Oregon

Accounting System and Budgetary Control

Accounting records for General, Special Revenue, Debt Service and Capital Project Funds are maintained on a modified accrual basis. Revenues are recognized when they become measurable and available, while expenditures are recorded at the time the liabilities are incurred. The accounting records for Internal Service and the Enterprise Funds are maintained on a full accrual basis.

In developing, maintaining and upgrading the City's accounting system, ongoing consideration is given to the adequacy of internal accounting control. We believe the city's internal accounting controls adequately safeguard assets.

The annual budget serves as the foundation for the City of Central Point's financial planning and control. All departments of the City submit a budget to the administrator who then oversees the preparation of a proposed budget. The budget is presented to a budget committee for review and approval and then submitted to city council for adoption prior to July 1 of each year. Budgetary control is maintained through constant review by the city's finance director. Detailed monthly budget reports are prepared for the city administrator and each department, with quarterly statements and presentation given to the Mayor and Council.

Oregon budget law allows for amendments to the budget for reasons unforeseen at the time the budget is adopted. Certain changes less than 10 percent require a council resolution. Changes in excess of 10 percent require a supplemental budget similar to the adoption requiring a public hearing. Budget-to-actual comparisons are provided in this report for each expenditure category in which an appropriated annual budget was adopted, thus illustrating budget compliance.

Factors Affecting Financial Condition – Local Economy

The regional economic base is tied to agriculture, tourism, higher education, health care, transportation and manufacturing. There is an increasing population of retirees moving into the area, a factor that requires new and expanded health care resources, and additional demands for retirement, assisted living and nursing home facilities. In the past year, the City of Central Point and all cities within the Rogue Valley have experienced an ever increasing number of lost jobs and one of the higher unemployment rates in the nation. Housing prices have plummeted along with construction in the area, all of which have had a negative effect on the City's building

permit revenues and planning actions. It is interesting to note, however, that the plummeting market values have not yet affected taxable values. Although it is too early to know the full extent that tax collections have been affected by the local economy, we anticipate reduced collections as a result of the substantial amount of foreclosures in the area.

Financial Policies

It has been a policy of the City's governing body and management to budget, plan and spend conservatively, and to make adjustments as early as possible when the need for change is identified. This unwritten policy of conservatism was beneficial and helped to stabilize and conserve the City and its services during the downward spiral of the local and national economy. No one could foresee just how dramatic the changes to the economy would affect local construction, businesses and families. However, the City has been fortunate that with the slowing of construction, timely decisions were made and actions taken to re-adjust staffing and prioritize projects to respond to the decline and the slowing collection of revenues.

Additionally, this past year Mayor and Council adopted a formal "Financial Policy" that documents the procedures and standards that will guide the City as it continues to monitor and preserve its assets.

Long-term Financial Planning

The City continues to prepare long-term financial plans on a fund basis. In recent years the City secured long-term funding sources through System Development Charges (SDC's) and street and storm water fees to support infrastructure and capital improvements. The City updates the capital improvement plan and related system development plans annually. Included in these plans are water, transportation, storm water, parks and recreation projects.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for excellence in financial reporting to the City of Central Point for its comprehensive annual financial report for the fiscal year ended June 30, 2009. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

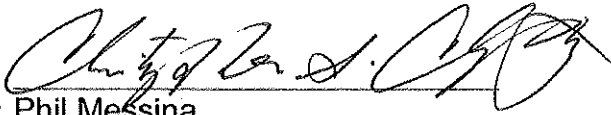
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


Acknowledgments

The timely preparation of this report would not have been possible without the efficient and dedicated service of the entire finance staff. We would like to express our appreciation for their contributions to its preparation.

We would especially like to thank the Mayor and City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectively submitted,


For -- Phil Messina
City Administrator


Bev Adams
Finance Director



**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

ELECTED OFFICIALS

June 30, 2010

<u>NAME</u>	<u>TERM EXPIRES</u>
Hank Williams, Mayor	December 31, 2010
Bruce Dingler, Ward I	December 31, 2010
Mike Quilty, Ward II	December 31, 2010
Mathew Stephenson, Ward III	December 31, 2010
Allen Broderick, Ward IV	December 31, 2012
Carol Fischer, At Large	December 31, 2012

All council members receive mail at the address listed below.

CITY ADMINISTRATOR

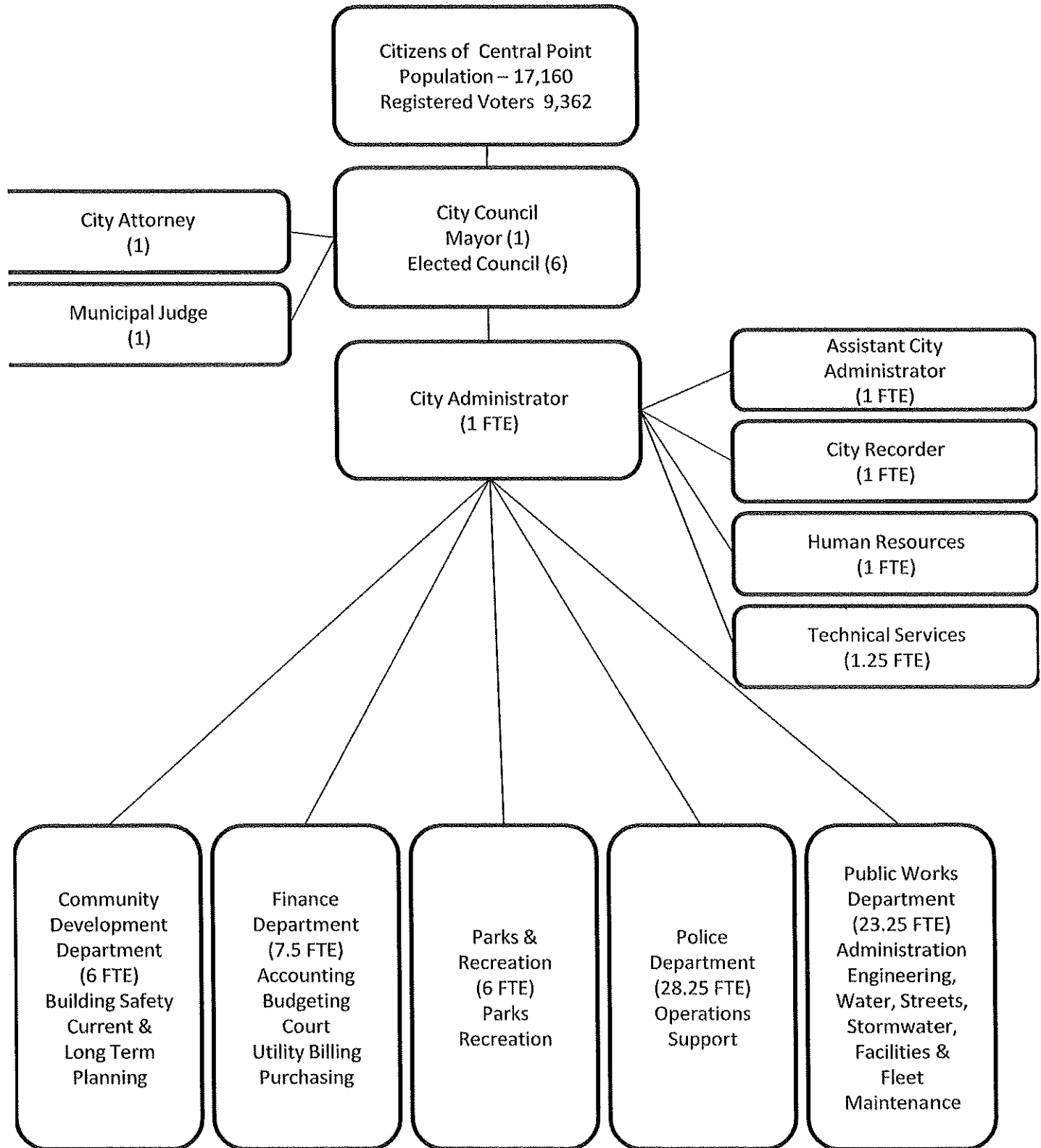
Phil Messina

FINANCE DIRECTOR

Bev Adams

City of Central Point
140 South Third Street
Central Point, OR 97502

City of Central Point
76.25 FTE
For The Fiscal Year Ended June 30, 2010



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Central Point
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



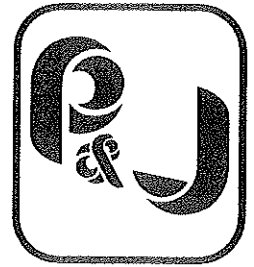
President

Executive Director

PURKEYPILE & JOHANNSEN
CERTIFIED PUBLIC ACCOUNTANTS LLP

ROBERT W. PURKEYPILE, CPA
FREDERIC C. JOHANNSEN, CPA
CHRISTOPHER V. DYE, CPA
TRUDY J. BROWN

INDEPENDENT AUDITOR'S REPORT



To the Honorable Mayor and
Members of the City Council
City of Central Point, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central Point, Oregon, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Central Point, Oregon's management. Our responsibility is to express opinions on these financial statements based on our audit.


We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Central Point, Oregon, as of June 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Central Point, Oregon's basic financial statements. The introductory section, supplementary information, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the supplementary information. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Johannsen, Dye & Purkeypile CPAs, LLP

A handwritten signature in black ink, appearing to read 'C. V. Dye', with a stylized flourish at the end.

By Christopher V. Dye, CPA
Partner

Medford, Oregon
November 5, 2010



**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Central Point, we offer readers of the City of Central Point's financial statements this narrative overview and analysis of the activities of the City of Central Point for the fiscal year ended June 30, 2010. Please read it in conjunction with the City's transmittal letter in the introductory section, and the City's financial statements following the MD&A.

Financial highlights (*In Thousands of Dollars*)

- Total assets of the City, including both governmental and business-type activities, exceeded its total liabilities at June 30, 2010, the close of the most recent fiscal year, by approximately \$80,019 (net assets). Of this amount, \$2,718 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- Unrestricted net assets for governmental activities increased \$302 to \$2,810. This overall increase is attributed to increased tax collections.
- Unrestricted net assets for business-type activities decreased \$1,049 to a deficit \$92 for the business-type activities. This overall decrease is attributed to increased cost of water from our supplier and the implementation of a new water rate structure with prices increasing as water use increases. However, we experienced a very wet spring and early summer resulting in lowered water usage and ultimately lower water revenue. In addition, there were about 170 vacant homes not using water. These vacant homes were abandoned or in foreclosure - another sign of the affects of the Great Recession.
- There are no restrictions, commitments, or other limitations on net assets, fund equities or fund balances at June 30, 2010 that significantly affect the availability of fund resources for future use.
- The City's total current and other liabilities increased \$365 - approximately 30% over last year end. This increase is unfavorable and attributed to the slowing economy that has resulted in a longer time for the City to collect revenues and other resources - resulting in a longer time for the City to pay its current operating costs.
- The City's total long-term debt declined \$512 to \$5,934. The reason for the decline is due to the City not incurring any significant new long-term debt during the current year and making scheduled debt payments on existing long-term debt.
- The City Council, through the adoption of the annual budget has established a conservative financial policy for dealing with the unfavorable economic and financial affects of the current recession, and a stated policy of not wanting to reduce the level of City services provided to the community. In response to these policies, the City staff continues to reevaluate and reassign staff in an effort to maintain the current level of City services, even though staff vacancies due to attrition and retirement have occurred. Currently, in keeping with City budget and Council policies, there are no plans for filling any staff vacancies. So far the City has eliminated 3.75 positions overall leaving 76.25 employees at June 30, 2010. This year end employee count compares to 80 at 2009, and 79 at 2008, 79 at 2007 and 84 at 2006.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview of the financial statements

This discussion and analysis is intended to serve as an introduction to the financial section of the City of Central Point's comprehensive annual financial report (CAFR). The financial section consists of three parts: 1) management's discussion and analysis (this section), 2) basic financial statements, and 3) supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the government, reporting the City's operations in more detail than the government-wide statements.
- The governmental funds statements show how general government services were financed in the short term as well as what remains for future spending.
- Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of supplementary information, some required by GASB and some thought to be meaningful to readers by further explaining the information presented in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and content of each of the statements.

Government-wide financial statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the city's net assets and how they have changed. Net assets - the difference between the City's assets and liabilities - are one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one needs to consider additional non-financial factors such as changes in the city's tax base.

The government-wide financial statements include both governmental and business-type activities. The City's governmental activities include general government, public safety, highways and streets, parks and recreation, and interest on long-term debt. General government activities include legislative, administration, finance, planning and economic development. Property taxes, franchise

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

taxes, permits and fees, and intergovernmental revenues finance most of these activities. The City's business-type activities include water and storm water utilities and building services. These services are primarily financed by charges for services.

Fund financial statements

The fund financial statements provide more detailed information about the City's most significant funds - not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

The City has the following kinds of funds:

- Governmental funds - Governmental funds focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance City programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page, that explain the relationship (or differences) between them.
- Proprietary funds: The City maintains two different types of proprietary funds. The *enterprise fund* is used to report the same functions presented as *business-type activities* in the government wide financial statements. The City uses enterprise funds to account for building department, water and storm water functions. The *internal service fund* is an accounting device used to allocate costs internally among the City's various functions. The City of Central Point uses an internal service fund to report activities that provide services for other programs such as facility maintenance, fleet maintenance and public works administration and engineering.

Government-wide financial analysis (*In Thousands of Dollars*)

Over time, net assets may serve as a useful indicator of a government's financial position.

By far the largest portion of the City's assets (88.2%) are invested in capital assets (land, buildings, equipment and infrastructure improvements) These assets are used to deliver services to citizens and are not available for future spending.

The second largest portion (8.4%) of net assets is titled restricted net assets. These net assets are subject to external restrictions on how they can be used.

The final portion (3.4%) is unrestricted net assets. This represents resources that may be used to meet the ongoing obligations to citizens and creditors. The unrestricted net assets decreased by \$747 (thousands); largely due to depreciation expense in both governmental and business type activities.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

**City of Central Point
Net Assets (In Thousands of Dollars)**

	Governmental		Business Type		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
ASSETS						
Current and Other Assets	\$ 8,428	\$ 8,282	\$ 2,596	\$ 3,490	\$ 11,024	\$ 11,772
Capital Assets	52,210	54,510	24,274	23,972	76,484	78,482
Total Assets	60,638	62,792	26,870	27,462	87,508	90,254
LIABILITIES						
Current and Other Liabilities	1,222	1,022	334	179	1,556	1,201
Long-Term Liabilities	5,615	6,093	319	353	5,934	6,446
Total Liabilities	6,837	7,115	653	532	7,490	7,647
NET ASSETS						
Capital Assets Net of Related Debt	46,595	49,417	23,956	23,619	70,551	73,036
Restricted Assets	4,396	4,752	2,354	2,354	6,750	7,106
Unrestricted Assets	2,810	2,508	(92)	957	2,718	3,465
Total Net Assets	\$ 53,801	\$ 56,677	\$ 26,218	\$ 26,930	\$ 80,019	\$ 83,607

**City of Central Point
Net Assets (In Thousands of Dollars)**

	Governmental		Business Type		Total	
	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
REVENUES						
Program Revenues:						
Charges For Services	\$ 4,427	\$ 4,904	\$ 2,748	\$ 3,072	\$ 7,175	\$ 7,976
Grants and Contributions	176	272	10	-	186	272
General Revenues:						
Property Taxes	4,274	4,360	-	-	4,274	4,360
Franchise Taxes	943	911	-	-	943	911
Hotel/Motel Taxes	298	299	-	-	298	299
Interest	43	122	15	82	58	204
Miscellaneous	278	156	24	7	302	163
Other:						
Transfers	42	-	-	-	42	-
Total Revenues	10,481	11,024	2,797	3,161	13,278	14,185
EXPENSES						
Functions:						
General Government	3,818	3,868	-	-	3,818	3,868
Public Safety	3,547	3,432	-	-	3,547	3,432
Highways and Streets	3,560	2,759	-	-	3,560	2,759
Parks and Recreation	1,204	1,105	-	-	1,204	1,105
Interest	228	175	-	-	228	175
Water Services	-	-	2,637	2,395	2,637	2,395
Stormwater Services	-	-	676	614	676	614
Building Services	-	-	154	210	154	210
Other:						
Transfers	-	-	42	-	42	-
Total Expenses	12,357	11,339	3,509	3,219	15,866	14,558
INCREASE (DECREASE) IN NET ASSETS	(1,876)	(315)	(712)	(58)	(2,588)	(373)
BEGINNING NET ASSETS	55,677	55,992	26,930	26,988	82,607	82,980
ENDING NET ASSETS	\$ 53,801	\$ 55,677	\$ 26,218	\$ 26,930	\$ 80,019	\$ 82,607

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial analysis of the City (*In Thousands of Dollars*)

The following discussion recaps each of the City's major funds, significant changes within the fund, and the underlying reason for the change. This narrative is based on the fund statement basis for all the funds regardless of fund type since this is the form for which the public, Council and staff are given financial information throughout the year and will best relate to it here.

- **General Fund:** At June 30, 2010, the unreserved fund balance (budget basis) for the General Fund was \$3,154, an increase of \$238 from the previous year. This fund balance represents approximately 43.9% of the 2009-10 total general fund expenditures including transfers out. The increase in General Fund carryover is primarily due to increases in tax revenues. Although expenditures and transfers out increased \$471 (7% over the previous year) the increases were within the budget and moderated by the concerted efforts of management to examine all expenditures to determine if they are unavoidable. Early in the 2008-09 fiscal year, as compelling evidence of local and regional economic challenges became more evident, the City Administrator requested a "call to action" for every department to conserve in whatever manner possible while still preserving services. This trend of conservation carried over into the 2009-10 budget and will continue throughout the 2010-11 budget year.
- **Street Fund:** At June 30, 2010, the unreserved fund balance (budget basis) for the Street Fund was \$1,707, a decrease of \$109 from the previous year. State gas tax revenues of \$713 are up by over \$54 from the previous year, the street franchise fee paid by the Water Fund brought in an additional \$53 from the prior year, but charges for services from systems development charges declined overall by almost \$300. Ongoing street maintenance efforts continued with no significant changes in street projects or expenditures. The changes described, along with a \$241 drop in other financing sources, resulted in a decrease in fund balance from the prior fiscal year of almost \$110.
- **Capital Improvement Fund:** At June 30, 2010, the unreserved fund balance (budget basis) for the Capital Improvement Fund was \$73, a decrease of \$88 from the 2008-09 fiscal year. This fund is used to budget and record activity dealing with capital projects; therefore large fluctuations naturally occur depending on capital projects in process. This year only a small portion remained to be completed on a major project that built the new Don Jones Park - a new City park named after a former mayor of the City of Central Point. The remaining balance of \$73 is to be used to complete a park project that is budgeted to begin in 2010-11.
- **Water Fund:** At June 30, 2010, the unreserved fund balance (budget basis) for the Water Fund was \$1,719 - a decrease of \$1,007 from the 2008-09 fiscal year. Charges for services dropped \$154 due to the impact of a new water rate schedule, a wet spring and early summer, and about 170 foreclosure homes not using water. Interest earnings dropped \$57. Almost \$580 was spent on capital projects that were budgeted for, but for the expected construction grant funding was not received. In addition, operating expenses increased about \$200. City Council and staff are aware that the results of Water Fund operations are currently unfavorable and this has resulted in a deteriorating fund balance. In February of 2010,

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

following completion of a water rate study, the Mayor and Council adopted a new rate schedule devised to provide for the revenue increases by using water rates that vary with the rate of water usage. As water usage increases a higher rate is charged, and when water usage decreases a lower rate is charged. The new rate structure is expected to provide sufficient resources to maintain the City's water distribution system. However, current experience has shown that this water rate structure results in revenue declines during wet weather conditions in spring and summer - which is what the City experienced this year. The last rate adjustment was in 2005.

- **Stormwater Fund:** At June 30, 2010, the unreserved fund balance (budget basis) for the Stormwater Fund was \$306, an increase of \$54 from the 2008-09 fiscal year. Stormwater utility revenues are down about \$26, that is attributed to vacant homes in the City. Operating expenses dropped about \$30 due to management cost consciousness during the 2009-10 year. These changes resulted in a net increase of \$4 in operating income to \$72. However, the fund contributed \$18 to the City's debt service payments leaving a \$54 increase to fund balance.
- **Building Fund:** At June 30, 2010, the unreserved fund balance (budget basis) for the Building Fund was \$236, a decrease of \$95 from the 2008-09 fiscal year. Management efforts reduced expenditures by \$57 - not nearly enough to offset the decline in revenue of \$134. Under current City budget and operating policies, the ongoing deterioration of the Building Fund balance due to the downturn in the economy will continue despite an overall reduction in staffing of 4.5 positions since 2007 to 1.5 positions at June 30, 2010.
- **Internal Services Fund:** At June 30, 2010, the unreserved fund balance (budget basis) for the Internal Services Fund was \$631, an increase of \$99 from the 2008-09 fiscal year. As an internal service fund revenues consist primarily of rental and overhead fees charged to City departments. Fluctuations in revenues and expenses over the years in this fund are generally caused either fleet or facility projects requiring capital asset purchases. For the second fiscal year there were no equipment purchases, and less than \$63 was expended on capital improvement projects. The majority of the ending fund balance is intended to serve as an equipment reserve for future replacements. In the 2010-11 budget, an Equipment Reserve Fund was established and the majority of the Internal Services fund balance will be transferred into that new fund to protect and account for the City's equipment replacement funds.

General Fund budgetary highlights

The expenditures and revenues of the General Fund are well matched and there are no significant variances from the budget. More information about the City's budget process, legal requirements, and results for the year is presented in Note 1 to the financial statements.

Other funds budgetary highlights

The City is required by Oregon law to budget all funds and did so. No significant variances from budget occurred in any fund. More information about the City's budget process, legal requirements, and results for the year is presented in Note 1 to the financial statements.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital assets

The City of Central Point's investment in capital assets for its governmental and business type activities as of June 30, 2010, amounts to \$70,550,675 (net of accumulated depreciation). This investment covers a broad range of capital assets, including land, buildings, storm water system improvements, vehicles, equipment, and water utility system. More detailed information about the city's capital assets is presented in Note 5 to the financial statements.

Long term debt

At June 30, 2010, the City had \$5,934,089 of long-term debt, the majority being bonds and notes payable. The City's debt was reduced by \$540,623 as result of making the maturing debt service payments, and increased only \$29,160 relating to SDC obligations from the previous fiscal year. More detailed information about the City's long-term debt is presented in the Note 6 to the financial statements.

Economic factors and the new year budget

The City of Central Point experienced large increases in housing starts over the years ending with June 30, 2007. By mid 2008, construction of homes dramatically declined and at present is almost at a standstill. This continued economic decline has sent a ripple effect throughout the City, decreasing revenues and significantly limiting projects citywide. This economic situation was a major concern in preparing, approving and executing the 2009-10 operating and long-term budget. The 2009-10 operating budget was reduced about \$1,000,000 when compared to the 2008-09 operating budget. The economic situation remains a major concern to the City leadership and that concern is reflected 2010-11 budget. The operating budget for 2010-11 was reduced \$1,000,000 when compared to the 2009-10 operating budget - resulting in a cumulative reduction of \$2,000,000 when compared to the 2008-09 operating budget. This is the third consecutive year that the budget reflects a significant reduction in operations.

As of June 30, 2010, the City's overall financial condition is stable, however the business-type activities of utility and building services are seriously deteriorating because of the declining economy caused by the Great Recession. While the City currently has resources and reserves to support this deterioration it cannot continue to do so indefinitely.

Five years ago 251 building permits were issued providing \$267,852 in building related fees. For 2009-10, the number of permits fell to 28 and related fees declined to \$40,456. The City's low income utility discount program which grants a 50% assistance to economically challenged citizens increased from \$4,582 in the 2008-09 fiscal year to \$25,511 this year. These are but a few of the statistics that indicate that the City's financial condition is deteriorating. In addition there are about 170 homes in foreclosure that are not currently paying for City utility services - representing about \$10,000 per month and \$120,000 on an annualized basis.

In the budget process and throughout the year, City staff carefully considered many options and made appropriate financial and operating decisions in an effort to retain sufficient carryover to continue current service levels as long as possible. City Council and staff are in the process of exploring new revenue streams as a way to improve and stabilize the City's economic health and provide for needed maintenance and capital project funding.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Contacting the City's financial management

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of the City's finances. If you have any questions about this report or need any clarification of information please contact the Finance department at the City of Central Point, or visit our website at www.centralpointoregon.gov. Our address is: 140 South Third St, Central Point, Oregon 97502.

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
BASIC FINANCIAL STATEMENTS

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

**STATEMENT OF NET ASSETS
June 30, 2010**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Assets:			
Cash and cash equivalents	\$ 6,249,736	\$ 2,141,735	\$ 8,391,471
Current receivables, net allowances for uncollectibles	725,487	356,136	1,081,623
Prepaid expenses	10,002	2,843	12,845
Supply inventory	-	95,245	95,245
Noncurrent receivables:			
Due within one year	149,034	-	149,034
Due in more than one year	1,230,540	-	1,230,540
Bond issue costs	63,104	-	63,104
Capital assets, net of allowances for depreciation			
Governmental	51,762,101	-	51,762,101
Business-type	-	24,274,485	24,274,485
Internal service	448,178	-	448,178
Total Assets	60,638,182	26,870,444	87,508,626
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable	464,232	290,148	754,380
Accrued payroll	390,230	-	390,230
Unearned revenue			
Due within one year	2,525	-	2,525
Deposits	-	15,775	15,775
Compensated absences	364,681	28,198	392,879
Noncurrent liabilities			
Due within one year	496,504	35,945	532,449
Due in more than one year	5,119,086	282,554	5,401,640
Total Liabilities	6,837,258	652,620	7,489,878
Net Assets:			
Invested in capital assets, net of related debt	46,594,689	23,955,986	70,550,675
Restricted for:			
Debt service	2,701,976	-	2,701,976
Housing	114,891	-	114,891
Utility systems enhancements (SDCs)	1,485,215	1,816,743	3,301,958
Unrestricted	2,904,153	445,095	3,349,248
Total Net Assets	\$ 53,800,924	\$ 26,217,824	\$ 80,018,748

See accompanying notes to basic financial statements

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenue			Net Revenue (Expenses) and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General government	\$ 3,818,268	\$ 2,499,067	\$ -	\$ -	\$ (1,319,201)	\$ -	\$ (1,319,201)
Public safety	3,546,951	204,673	5,691	-	(3,336,587)	-	(3,336,587)
Highways and streets	3,559,735	1,243,122	-	170,000	(2,146,613)	-	(2,146,613)
Parks and recreation	1,204,106	219,162	-	-	(984,944)	-	(984,944)
Interest on long-term debt	228,498	260,654	-	-	32,156	-	32,156
Total Governmental Activities	12,357,558	4,426,678	5,691	170,000	(7,755,189)	-	(7,755,189)
Business-Type Activities							
Water services	2,638,608	2,149,693	-	-	-	(488,915)	(488,915)
Stormwater services	675,609	543,537	-	9,905	-	(122,167)	(122,167)
Building services	153,638	54,418	-	-	-	(99,220)	(99,220)
Total Business-Type Activities	3,467,855	2,747,648	-	9,905	-	(710,302)	(710,302)
Total Primary Government	\$ 15,825,413	\$ 7,174,326	\$ 5,691	\$ 179,905	(7,755,189)	(710,302)	(8,465,491)
General Revenues							
Property taxes					4,274,310	-	4,274,310
Franchise taxes					942,997	-	942,997
Hotel/Motel taxes					297,808	-	297,808
Interest					42,876	15,409	58,285
Miscellaneous					279,427	24,252	303,679
Total General Revenues					5,837,418	39,661	5,877,079
Other							
Transfers					41,900	(41,900)	-
Change in Net Assets					(1,875,871)	(712,541)	(2,588,412)
Beginning Net Assets					55,676,795	26,930,365	82,607,160
Ending Net Assets					\$ 53,800,924	\$ 26,217,824	\$ 80,018,748

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010**

	GENERAL	STREET FUND	HOUSING FUND	CAPITAL IMPROVEMENT FUND	DEBT SERVICE FUND	TOTAL
ASSETS:						
Assets:						
Cash and investments	\$ 3,630,585	\$ 1,728,220	\$ 49,942	\$ 88,940	\$ 62,553	\$ 5,560,240
Receivables:						
Taxes	374,556	-	-	-	-	374,556
Accounts, net of allowances	233,525	117,406	-	-	-	350,931
State of Oregon	-	-	-	-	963,731	963,731
Special assessments	-	-	64,949	-	350,894	415,843
Prepaid items	9,791	-	-	-	-	9,791
Total Assets	<u>\$ 4,248,457</u>	<u>\$ 1,845,626</u>	<u>\$ 114,891</u>	<u>\$ 88,940</u>	<u>\$ 1,377,178</u>	<u>\$ 7,675,092</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	279,388	136,430	-	15,561	-	431,379
Payroll taxes and salaries	390,230	-	-	-	-	390,230
Comp absences payable	99,602	1,971	-	-	-	101,573
Deferred revenue	2,525	-	64,949	-	1,259,849	1,327,323
Deferred property taxes	322,343	-	-	-	-	322,343
Total Liabilities	<u>1,094,088</u>	<u>138,401</u>	<u>64,949</u>	<u>15,561</u>	<u>1,259,849</u>	<u>2,572,848</u>
Fund Balances:						
Reserved for Debt Service	-	-	-	-	117,329	117,329
Unreserved Reported in:						
General Fund	3,154,369	-	-	-	-	3,154,369
Special Revenue Funds	-	1,707,225	49,942	-	-	1,757,167
Capital Projects Fund	-	-	-	73,379	-	73,379
Total Fund Balances	<u>3,154,369</u>	<u>1,707,225</u>	<u>49,942</u>	<u>73,379</u>	<u>117,329</u>	<u>5,102,244</u>
Total Liabilities and Fund Balances	<u>\$ 4,248,457</u>	<u>\$ 1,845,626</u>	<u>\$ 114,891</u>	<u>\$ 88,940</u>	<u>\$ 1,377,178</u>	<u>\$ 7,675,092</u>

See accompanying notes to basic financial statements

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS
June 30, 2010

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

Total Fund Balances - Governmental Funds	\$	5,102,244
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The cost of governmental capital assets (land, buildings, improvements, machinery and equipment, infrastructure, intangibles, and construction in progress) is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the City as a whole.

Capital assets		51,762,101
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net assets.

Long-term debt	\$ (5,615,590)	
Bond discount and issuance costs	<u>63,104</u>	(5,552,486)

Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.

Accrued vacation and sick leave	(364,681)	
Accrued in governmental funds	101,573	
Accrued in Internal Service Fund	<u>26,105</u>	(237,003)

Unearned revenues are not earned in the current period and therefore are not reported as revenues in the funds

Unearned Revenue		
Special assessments made but not collected	1,324,798	
Property taxes levied but not collected	<u>322,343</u>	
		<u>1,647,141</u>

Governmental Funds Net Assets		52,721,997
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An internal service fund is used by the City and its assets and liabilities are included with the City's governmental activities in the Statement of Net Assets.

Internal Service Fund Net Assets		<u>1,078,927</u>
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Total Net Assets - Governmental Activities	\$	<u>53,800,924</u>
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**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Fiscal Year Ended June 30, 2010

	GENERAL	STREET FUND	HOUSING FUND	CAPITAL IMPROVEMENT FUND	DEBT SERVICE FUND	TOTAL
REVENUES:						
Taxes	\$ 5,492,186	\$ -	\$ -	\$ -	\$ -	\$ 5,492,186
Licenses and permits	53,128	-	-	-	-	53,128
Intergovernmental	458,423	964,645	-	-	162,864	1,585,932
Charges for services	1,003,987	476,292	-	26,585	190,809	1,697,673
Assessments	-	-	-	-	83,145	83,145
Fines and forfeitures	204,673	-	-	-	-	204,673
Investment earnings	24,946	11,848	349	658	767	38,568
Miscellaneous	175,627	14,347	7,038	-	-	197,012
Total Revenues	7,412,970	1,467,132	7,387	27,243	437,585	9,352,317
EXPENDITURES:						
Current:						
General government	2,438,211	-	5,000	-	-	2,443,211
Public safety	3,485,011	-	-	-	-	3,485,011
Highways and streets	-	1,534,866	-	-	-	1,534,866
Parks and recreation	1,139,626	-	-	53,469	-	1,193,095
Debt service:						
Principal	-	9,396	-	15,561	463,398	488,355
Interest	-	-	-	-	223,265	223,265
Total Expenditures	7,062,848	1,544,262	5,000	69,030	686,663	9,367,803
Excess of Revenues Over (Under) Expenditures	350,122	(77,130)	2,387	(41,787)	(249,078)	(15,486)
Other Financing Sources, (Uses)						
Transfers in	7,039	-	-	-	267,600	274,639
Transfers out	(119,500)	(60,200)	(7,039)	(46,000)	-	(232,739)
Total Transfers	(112,461)	(60,200)	(7,039)	(46,000)	267,600	41,900
Financing proceeds	-	27,815	-	-	-	27,815
Total Other Financing Sources, (Uses)	(112,461)	(32,385)	(7,039)	(46,000)	267,600	69,715
Net Change in Fund Balance	237,661	(109,515)	(4,652)	(87,787)	18,522	54,229
Beginning Fund Balance	2,916,708	1,816,740	54,594	161,166	98,807	5,048,015
Ending Fund Balance	\$ 3,154,369	\$ 1,707,225	\$ 49,942	\$ 73,379	\$ 117,329	\$ 5,102,244

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES
June 30, 2010**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Net Change in Fund Balances - Governmental Funds	\$	54,229
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capitalized expenditures	\$ 397,024	
Depreciation expense	(2,625,856)	
Net adjustment		(2,228,832)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances.

Compensated absences		(41,456)
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Funds received from sale of bonds is reported as debt proceeds in governmental funds. The Statement of Activities reports these funds as local revenue. Bond issuance costs are recorded as expenditures in the fund financial statements, but accrued and amortized over the life of the loan in the government-wide statements.

Amortization of bond discounts and bond issuance costs	(4,725)	
Issuance of debt	(27,815)	
Bonds and notes payable principal	505,219	
		472,679

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Special assessments	(183,203)	
Property taxes	22,928	
		(160,275)

Governmental Funds Change in Net Assets		(1,903,655)
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Internal service funds are used by the City to account for the fleet operations, public works administration and engineering services that are provided to the other departments on a cost reimbursement basis. The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities.

Internal Service Fund Change in Net Assets		27,784
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Change in Net Assets - Governmental Activities	\$	(1,875,871)
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See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
BALANCE SHEET
PROPRIETARY FUNDS
June 30, 2010**

	WATER FUND	STORM WATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
ASSETS:					
Current Assets					
Cash and investments	\$ 1,561,001	\$ 297,612	\$ 283,122	\$ 2,141,735	\$ 689,496
Prepaid expenses	63	-	2,780	2,843	211
Supply inventory	95,245	-	-	95,245	-
Accounts receivable, net	318,663	37,473	-	356,136	-
Total Current Assets	1,974,972	335,085	285,902	2,595,959	689,707
Noncurrent Assets					
Capital assets not being depreciated	2,263,514	336,838	-	2,600,352	-
Capital assets being depreciated, net	13,710,288	7,959,953	3,892	21,674,133	448,178
Total Noncurrent Assets	15,973,802	8,296,791	3,892	24,274,485	448,178
Total Assets	\$ 17,948,774	\$ 8,631,876	\$ 289,794	\$ 26,870,444	\$ 1,137,885
LIABILITIES					
Current Liabilities					
Accounts payable	\$ 240,018	\$ 23,543	\$ 26,587	\$ 290,148	\$ 32,852
Comp absences payable	15,128	5,709	7,361	28,198	26,106
Developer and customer deposits	50	-	15,725	15,775	-
Total Current Liabilities	255,196	29,252	49,673	334,121	58,958
Long-term Liabilities					
SDC obligations	5,564	13,976	-	19,540	-
Financing agreement	44,054	127,009	-	171,063	-
Notes payable	127,896	-	-	127,896	-
Total Long-Term Liabilities	177,514	140,985	-	318,499	-
Total Liabilities	432,710	170,237	49,673	652,620	58,958
NET ASSETS					
Invested in capital assets, net of related debt	15,796,288	8,155,806	3,892	23,955,986	448,178
Restricted for:					
Utility Systems Enhancements (SDCs)	1,696,641	120,102	-	1,816,743	-
Unrestricted	23,135	185,731	236,229	445,095	630,749
Total Net Assets	17,516,064	8,461,639	240,121	26,217,824	1,078,927
Total Liabilities and Net Assets	\$ 17,948,774	\$ 8,631,876	\$ 289,794	\$ 26,870,444	\$ 1,137,885

See accompanying notes to basic financial statements

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2010

	WATER FUND	STORM WATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
OPERATING REVENUES					
Licenses and fees	\$ -	\$ -	\$ 54,418	\$ 54,418	\$ -
Charges for services	2,149,693	543,537	-	2,693,230	1,243,107
Miscellaneous	12,047	12,093	112	24,252	331
Total Operating Revenue	2,161,740	555,630	54,530	2,771,900	1,243,438
OPERATING EXPENSES					
Public works equipment rental operations	-	-	-	-	1,130,178
Utility operations	2,222,792	450,423	-	2,673,215	-
Building inspection services	-	-	152,526	152,526	-
Depreciation	391,293	218,591	1,112	610,996	89,784
Total Operating Expenses	2,614,085	669,014	153,638	3,436,737	1,219,962
Total Operating Income (Loss)	(452,345)	(113,384)	(99,108)	(664,837)	23,476
NONOPERATING INCOME (LOSS)					
Grant proceeds	-	9,905	-	9,905	-
Loss on disposal of fixed assets	(24,523)	(6,595)	-	(31,118)	-
Investment earnings	11,743	1,595	2,071	15,409	4,308
Nonoperating Income (Loss)	(12,780)	4,905	2,071	(5,804)	4,308
CHANGE IN NET ASSETS	(465,125)	(108,479)	(97,037)	(670,641)	27,784
Transfers out	(23,900)	(18,000)	-	(41,900)	-
Change in Net Assets	(489,025)	(126,479)	(97,037)	(712,541)	27,784
Beginning Net Assets	18,005,089	8,588,118	337,158	26,930,365	1,051,143
Ending Net Assets	\$ 17,516,064	\$ 8,461,639	\$ 240,121	\$ 26,217,824	\$ 1,078,927

See accompanying notes to basic financial statements

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2010

	WATER FUND	STORMWATER FUND	BUILDING FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUND
Cash Flows from Operating Activities:					
Received from customers	\$ 2,204,841	\$ 555,606	\$ 62,710	\$ 2,823,157	\$ 13,938
Received from interfund svcs provided	-	-	-	-	1,229,500
Paid for interfund services provided	(343,100)	(162,900)	(2,200)	(508,200)	-
Paid to suppliers	(1,289,137)	(138,301)	(10,108)	(1,437,546)	(427,543)
Paid to employees	(474,504)	(128,415)	(128,783)	(731,702)	(720,738)
Net cash provided (used)	98,100	125,990	(78,381)	145,709	95,157
Cash Flows from Noncapital Financing Activities:					
Transfers (to) other funds	(23,900)	(18,000)	-	(41,900)	-
Cash Flows from Capital and Related Financing Activities					
Grant proceeds	-	9,905	-	9,905	-
Purchase of fixed assets	(915,927)	(28,542)	-	(944,469)	(18,646)
Long-term debt borrowings	-	1,345	-	1,345	-
Long-term debt payments	(17,627)	(17,773)	-	(35,400)	-
Net cash (used)	(933,554)	(35,065)	-	(968,619)	(18,646)
Cash Flows from Investing Activities					
Interest on investments	11,743	1,595	2,071	15,409	4,308
Net (decrease) increase in cash and investments	(847,611)	74,520	(76,310)	(849,401)	80,819
Cash and Investments:					
Beginning of year	2,408,612	223,092	359,432	2,991,136	608,677
End of year	\$ 1,561,001	\$ 297,612	\$ 283,122	\$ 2,141,735	\$ 689,496
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	\$ (452,345)	\$ (113,384)	\$ (99,108)	\$ (664,837)	\$ 23,476
Depreciation and amortization	391,293	218,591	1,112	610,996	89,784
(Increase) Decrease in prepaid exp.	209	-	(2,780)	(2,571)	110
(Increase) Decrease in cust. deposits	50	-	8,180	8,230	-
(Increase) Decrease in inventory	4,080	-	-	4,080	-
(Increase) Decrease in receivables	43,047	(24)	-	43,023	-
Increase (Decrease) in accrued vacation	(91)	317	(2,165)	(1,939)	(20,465)
Increase (Decrease) in payables	111,857	20,490	16,380	148,727	2,252
Net Cash Provided by Operating Activities	\$ 98,100	\$ 125,990	\$ (78,381)	\$ 145,709	\$ 95,157

See accompanying notes to basic financial statements

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Central Point, Oregon, have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

THE FINANCIAL REPORTING ENTITY

The City of Central Point is a municipal corporation governed by an elected mayor and six-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable, as defined under GASB Statement 39. The City has no component units with significant financial impact in the current year.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the primary government and its component units. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and the proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available, and susceptible to accrual, when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due, except in the water fund, building fund and internal service fund where expenses are accrued as they are incurred.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be measurable to accrue as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - This fund accounts for all financial resources and expenditures of the City, except those required to be accounted for in another fund. The principal revenue source is property taxes.

Street Fund – This fund accounts for the City's share of State of Oregon gasoline taxes. The state gasoline taxes are restricted for expenditures under Article XI, Section 3 of the Oregon Constitution for construction, maintenance and repair of streets, roads and bike and foot paths.

Capital Improvement Fund – This fund accounts for major capital purchases for the City.

Housing Fund – This fund accounts for the repayment of loans made to City residents under a wood stove removal and weatherization program. Program income may be recycled into another eligible housing program.

Debt Service Fund – This fund accounts for all debt service of the City, with the exception of water line and SDC obligation debt.

The government reports the following major proprietary and internal service funds:

Water Fund – This fund accounts for the activities of the City's water utility operation.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stormwater Fund – This fund accounts for the activities of the City's stormwater utility operation.

Building Fund – This fund administers the State of Oregon Building and Safety Codes.

Internal Service Fund – This internal service fund accounts for the fleet operations, facilities maintenance and public works administration services that are provided to the other departments on a cost reimbursement basis.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following private-sector guidance issued subsequent to December 1, 1989 for their business-type activities and enterprise funds, subject to the same limitations relating to conflicts and contradictions. The City has elected not to follow any private-sector guidance issued subsequent to December 1, 1989.

Interfund services provided and used are not eliminated in the process of consolidation of the government-wide financial statements.

Amounts reported as program revenues include – if received during the year: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants. Internally dedicated resources and all taxes are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service fund is charges to other departments for sales and services. Operating expenses for the internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

BUDGETS

The City budgets all funds as required by Oregon State Budget Law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Expenditure budgets for the Housing Fund, Debt Service Fund and Building Fund are appropriated at object levels of personal services, materials and services, capital outlay, interfund transactions and contingency. All other funds, including the General, Street, Capital Improvement, Water, Stormwater and Internal Service funds are appropriated by total budget at the division level.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unexpected additional resources or appropriations may be added to the budget through the use of a supplemental budget. Original and supplemental budgets require hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by passing a Council resolution authorizing the transfer. All budget amendments are subject to the limitations put forth in the Oregon Revised Statutes, Chapters 294.305 through 294.565 (Oregon Budget Law). Transfers of appropriations, permitted by Oregon Budget Law, were authorized by the City Council during the fiscal year.

Budget amounts presented herein are as originally adopted and amended by the City Council. There was one amendment resolution and one supplemental budget to transfer appropriations. Budget appropriations lapse at year end.

The City budgets all funds on the modified accrual basis of accounting – which is consistent with generally accepted accounting principles.

Expenditures in all funds were within authorized appropriations for the year ended June 30, 2010.

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "cash and investments" on the fund financial statements and as "cash and cash equivalents" on the government wide financial statements.

Receivables and Payables

Property taxes are levied as of July 1 on property assessed as of January 1. The tax levy is due November 15, with an optional payment method of 1/3 due November 15, 1/3 due February 15, and 1/3 due May 15. Taxes paid in full November 15 are provided a 3% discount. The billings are considered delinquent after the appropriate due date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Receivables are assessed for collectibility and allowances for uncollectibility are recorded as necessary.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Payables (continued)

Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue in all funds as earned. The receivables for state, county and local shared revenue are recorded in accounts receivable.

Investment earnings (e.g., accrued interest receivable) are recorded as revenue in all fund types as earned on investments.

Interfund Activities

Interfund activities include charges for services and operating transfers.

Capital assets

Capital assets, which include property, plant, equipment, intangible assets (e.g., software, land use rights, patents), and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized when projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Depreciable capital assets are depreciated using the straight-line method over the asset's estimated useful life as follows:

Buildings:	20-50 years
Supply and distribution systems, including utility plant:	20-50 years
Equipment:	5-20 years
Software:	5 years

Capitalized Interest

Interest is capitalized on capital assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the year ended June 30, 2010, and for prior years as well, no interest was capitalized on capital assets.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures is recorded as a liability in the balance sheet and statement of net assets.

Compensated absences

It is the City's policy to permit employees to accumulate up to one year's earned but unused vacation benefits. The City pays all vacation but no sick leave when an employee terminates. A portion of vacation earned is accrued when incurred within 60 days of year-end in the governmental funds and the remainder of the maximum allowed is accrued in the government-wide financial statement. In the proprietary financial statements the maximum allowed is accrued. No sick leave is accrued. A liability for a portion of these amounts is reported in the governmental funds, and the remainder in the government-wide statements in accordance with GASB No. 16 Accounting for Compensated Absences.

Deferred/unearned revenue

Deferred revenues are resource inflows that do not yet meet the criteria for revenue recognition. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period. Unearned revenue is a specific type of deferred revenue that does not involve the application of the availability criterion, and, therefore is reported as deferred revenue in both accrual and modified accrual financial statements.

Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Principal and interest payments on long-term debt are reported as debt service expenditures.

Fund equity/Net assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund equity/Net assets (continued)

Net assets comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net assets are classified in the following three categories.

Invested in capital assets, net of related debt – all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets – net assets with external constraints placed on their use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – all other net assets.

Reservations of Retained Earnings and Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Statement of Cash Flows

For purposes of the statement of cash flows, the internal service fund deposits monies into a common cash and investment pool of the City. The funds use this pool as a demand deposit account and, accordingly, all amounts in the pool are considered cash and cash equivalents. Cash and cash equivalents include investments with an original maturity date of three months or less at date of purchase. In addition, all unrestricted cash and cash equivalents and restricted cash and cash equivalents are grouped together for purposes of the statement of cash flows.

Supply Inventory

Inventories are stated at the lower of cost or market, using the first-in, first-out method and are recognized as expenses in Proprietary Fund types as consumed.

2. CASH AND INVESTMENTS

The City is restricted by Oregon Revised Statutes as to the types of investments in which it may invest its cash balances. Statutes authorize the City to invest in obligations of the U.S. Treasury and other U.S. Government agencies, certain commercial paper, bankers' acceptances, repurchase agreements and the State Treasurer's Local Government Investment Pool. Cash and investments reported on the fund financial statements are considered to be cash and cash equivalents, except for restricted cash and investments.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

Cash and Investments, unrestricted and restricted, at June 30, 2010 consisted of:

Deposits with Financial Institutions:

	<u>Total</u>
Petty Cash	\$ 1,450
Demand Deposits	156,924
Investments	<u>8,233,097</u>
Total at fair value	<u>\$ 8,391,471</u>

The City has selected banks that are approved depositories identified in Oregon statutes. In accordance with Oregon law, deposits of municipal funds can only be deposited in approved financial institutions identified by the state of Oregon Treasurer. In addition, Oregon law requires that all deposits be covered by federal depository insurance and account balances in excess of the federal depository insurance be secured with acceptable collateral. All approved depositories participate in the collateral pool managed by the Treasurer of the state of Oregon and is the responsible official concerning all matters relating to collateral coverage.

Deposits consist of bank demand deposits. The carrying amount of deposits is \$156,924. The total bank balance at June 30, 2010, per the bank statement, is \$178,191, all of which is covered by federal depository insurance.

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Fitch Ratings and Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record (A-2/P-2 if Oregon commercial paper) and the state treasurer's investment pool. The City's investments at June 30, 2010, as listed above were invested in the state treasurer's investment pool. The City's investments during the year were comprised of the state treasurer's investment pool.

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2010.

Custodial Credit Risk - Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. The City is in the process of developing a formal policy to address custodial credit risk.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized and may be subject to credit risk. There is no material difference between the fair value of the City's position in the State Treasurer's Local Government Investment Pool and the value of the pool shares at June 30, 2010. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2010, the City had 100% of total investments in the State Treasurer's Investment Pool. State. Statutes do not limit the percentage of investments in this instrument.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
State Treasurer's Investment Pool	\$ 8,233,097	\$ 8,233,097	\$ -	\$ -

3. RECEIVABLES

Receivables as of the year ended June 30, 2010, for all the City's funds are as follows:

The special assessments are due from property owners benefited by various infrastructure improvements. The cost of those improvements, plus interest ranging from 4.0% to 6.5%, is being recovered from the benefited property owners. The special assessments recorded in the Debt Service Fund are pledged for the payment of a bond purchase agreement further described in Note 4. Should these special assessment payments prove insufficient to cover the scheduled debt repayment, the City's full faith and credit and taxing power has been committed to do so. At year end, delinquent principal and interest of \$120,537 related to special assessments was due the City. However, the special assessment payments have proved sufficient to cover the scheduled debt repayment to date and the City expects to collect the entire amount.

The receivable from the state of Oregon relates to a street construction project undertaken by the state and the City where the state was the lead agency. As a condition of the project, the City assigned a federal grant to the state and also obtained long term financing under a \$2,000,000 financing agreement further described in Note 4. The state of Oregon agreed to contribute \$1,628,636 to the City to assist with repayment of the maturing long term financing in equal payments spread over ten years. Since the the agreement provides for no interest, it was discounted when recorded by the City \$267,292 to reflect a 4.3% annual interest rate.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. RECEIVABLES (Continued)

The City uses the direct write-off method for bad debt. Receivables are written off when reasonable attempts to secure payment have failed, and the account is sent to collections. Accordingly, no allowance for doubtful accounts is reflected in the financial statements.

These receivables are presented in the Statement of Net Assets as follows:

	<u>Governmental Funds</u>	<u>Internal Service Fund</u>	<u>Total</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<u>Governmental Activities</u>					
Current:					
Accounts, net	\$ 350,931	\$ -	\$ 350,931	\$ 350,931	\$ -
Property taxes	374,556	-	374,556	374,556	-
Total current	<u>725,487</u>	<u>-</u>	<u>725,487</u>	<u>725,487</u>	<u>-</u>
Long-term					
Special assessments	415,843	-	415,843	28,437	387,406
State of Oregon	963,731	-	963,731	120,597	843,134
Total long-term	<u>1,379,574</u>	<u>-</u>	<u>1,379,574</u>	<u>149,034</u>	<u>1,230,540</u>
Total	<u>\$ 2,105,061</u>	<u>\$ -</u>	<u>\$ 2,105,061</u>	<u>\$ 874,521</u>	<u>\$ 1,230,540</u>

	<u>Proprietary Fund</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
<u>Business-type Activities</u>			
Current:			
Accounts, net	\$ 356,136	\$ 356,136	\$ -

4. UNEARNED REVENUE

Unearned revenue of governmental activities is as follows at June 30, 2010.

<u>Governmental Activities</u>	<u>Governmental Funds</u>	<u>Earned Within One Year</u>	<u>Earned After One Year</u>
Current:			
Services	\$ <u>2,525</u>	\$ <u>2,525</u>	\$ <u>-</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2010 are as follows:

	Balance Beginning Of Year	Additions	Deletions	Balance End Of Year
Governmental Activities:				
Not being depreciated				
Land	\$ 5,145,122	\$ -	\$ -	\$ 5,145,122
Work in process	2,765,588	280,624	2,502,275	543,937
Land use rights	-	42,815	-	42,815
Total	<u>7,910,710</u>	<u>323,439</u>	<u>2,502,275</u>	<u>5,731,874</u>
Being depreciated				
Buildings	4,775,257	200,838	-	4,976,095
Computers	168,296	-	-	168,296
Equipment and vehicles	533,639	-	-	533,639
Infrastructure	80,987,869	2,375,018	-	83,362,887
Total	<u>86,465,061</u>	<u>2,575,856</u>	<u>-</u>	<u>89,040,917</u>
Accumulated Depreciation				
Buildings	1,076,504	103,450	-	1,179,954
Computers	86,647	19,626	-	106,273
Equipment and vehicles	252,884	75,163	-	328,047
Infrastructure	38,968,800	2,427,616	-	41,396,416
Total	<u>40,384,835</u>	<u>2,625,855</u>	<u>-</u>	<u>43,010,690</u>
Governmental Capital Assets, Net	<u>\$ 53,990,936</u>			<u>\$ 51,762,101</u>
Internal Service Fund:				
Being depreciated				
Buildings	\$ 175,000	\$ 18,646	\$ -	\$ 193,646
Equipment and vehicles	892,604	-	-	892,604
Infrastructure	18,000	-	-	18,000
Total	<u>1,085,604</u>	<u>18,646</u>	<u>-</u>	<u>1,104,250</u>
Accumulated Depreciation				
Buildings	66,410	3,500	-	69,910
Equipment and vehicles	498,438	86,284	-	584,722
Infrastructure	1,440	-	-	1,440
Total	<u>566,288</u>	<u>89,784</u>	<u>-</u>	<u>656,072</u>
Internal Service Fund Capital Assets, Net	<u>\$ 519,316</u>			<u>\$ 448,178</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (Continued)

	Balance Beginning Of Year	Additions	Deletions	Balance End Of Year
Business-Type Activities:				
Not being depreciated				
Land	\$ 1,509,591	\$ 433,433	\$ -	\$ 1,943,024
Work in process	236,553	188,109	68,003	356,659
Land use rights	-	300,666	-	300,666
Total	<u>1,746,144</u>	<u>922,208</u>	<u>68,003</u>	<u>2,600,349</u>
Being depreciated				
Software	-	30,600	-	30,600
Computers	72,300	-	-	72,300
Equipment and vehicles	23,734	-	-	23,734
Infrastructure	29,367,786	28,542	-	29,396,328
Total	<u>29,463,820</u>	<u>59,142</u>	<u>-</u>	<u>29,522,962</u>
Accumulated Depreciation				
Computers	72,300	-	-	72,300
Equipment and vehicles	5,065	3,391	-	8,456
Infrastructure	7,160,465	607,605	-	7,768,070
Total	<u>7,237,830</u>	<u>610,996</u>	<u>-</u>	<u>7,848,826</u>
Business-type Capital Assets, Net	<u><u>\$ 23,972,134</u></u>			<u><u>\$ 24,274,485</u></u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	Governmental Funds
General Government	\$ 128,798
Public Safety	41,968
Highways and Streets	2,356,203
Parks and Recreation	98,886
Total	<u><u>\$ 2,625,855</u></u>

At June 30, 2010, the City was involved in the various phases of improvement projects. The significant contracts and remaining amounts are shown below:

	Total	Remaining
Streets Fund		
Pedestrian and Bicycle Safety Crossing	\$330,000	\$40,000

During the year, the City adopted the provisions of GASB No. 51, Accounting and Financial Reporting for Intangible Assets. The City prospectively reports all intangibles which are not specifically excluded by the scope of GASB No. 51 as capital assets. As permitted by GASB No. 51, the City did not retroactively report intangibles acquired prior to July 1, 2009.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT

At June 30, 2010, the City's long-term financed debt consists of the following:

During 2009-10, the City entered into an agreement to purchase an easement for \$44,419. The first principal payment of \$15,000 was made in December 2009. The agreement is secured by the full faith and credit of the City and is payable from all legally available funds of the City. The agreement does not contain a provision for interest. Interest was imputed at 4.3% on the agreement, resulting in a \$1,604 discount. The final payment is scheduled for November 2011.

During 2008-09, the City entered into a purchase agreement to obtain funding in the amount of \$1,200,000 for the construction of Don Jones Memorial Park. The tax exempt financing note is secured by the full faith and credit of the City and is payable from all legally available funds of the City. Interest at 4.05% is paid semi-annually, and principal is paid annually, with the final payment in September 2018. Issuance costs of \$11,100 are amortized over the 10 year life of the note at \$1,110 per year, and, at June 30, 2009 and 2010, the unamortized balance is \$9,990 and \$8,880, respectively.

During 2007-08, the City entered into a bond purchase agreement to obtain funding in the amount of \$500,000 for water line improvement projects on behalf of certain City residents. The bond purchase agreement is secured by the assessment payments of the benefited property owners. In addition, should these payments be insufficient, the City's full faith and credit and taxing power has been committed. Interest at 4.62% and principal is paid semiannually. The final payment is scheduled for 2017.

During 2006-07 the City entered into a financing note agreement to obtain funding in the amount of \$2,000,000 to undertake various transportation and other projects. The financing note is secured by the full faith and credit of the City and is payable from all legally available funds of the City. Interest at 4.3% is paid semi-annually and principal is paid annually. The final payment is scheduled for 2017.

In November 2005, the City entered into a Note Payable for \$127,000 for the purpose of constructing a parking lot. Monthly principal and interest payments began in February 2006, and are required until January 2011, with an interest rate of 4.25%.

On September 29, 2004, the City entered into an agreement to obtain funding in the amount of \$2,700,000 to construct, furnish, and equip new City Council Chambers, new City Hall Offices, and pay bond issuance costs. These certificates of participation are payable from all legally available funds of the City. Interest at 3.5% to 4.3% is paid semi-annually, and principal is paid annually, with the final payment in December 2025. Bond issuance costs of \$72,299 are amortized over the 20 year life of the bonds at \$3,615 per year, and, at June 30, 2009 and 2010, the unamortized balance is \$57,839 and \$54,224, respectively.

During 1997-98, the City received a \$152,415 special public works fund loan from the State of Oregon Economic Development Department. The loan was used to extend a water line to an industrial user outside the City limits. Annual payments of interest only at 4.86% are required on December 1 of each year through 2007, from the Water Fund. Beginning on December 1, 2009, annual principal and interest payments are required until December 1, 2018.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued)

The City has entered into agreements with various developers to provide water line, stormwater line, parks, streets and sidewalk infrastructure relating to the developers construction projects. These improvements are in addition to the requirements placed on them by the planning and approval process. The agreements require that the City reimburse the developer's costs, without interest, for the enhanced improvements at the time the developer undertakes the site development and pays the various permit fees and systems development charges ("SDCs"). The source of payment to the developers is the SDCs actually paid.

Changes in the City's long-term debt during the fiscal year ending June 30, 2010:

	Balance 7/1/2009	Additions	Deletions	Balance 6/30/2010	Due Within One Year	Long-Term Portion
Governmental Activities						
Limited tax bond	\$ 401,491	\$ -	\$ 49,000	\$ 352,491	\$ 40,321	\$ 312,170
Financing agreement	1,473,974	-	158,037	1,315,937	164,424	1,151,513
Notes payable	19,087	27,815	19,087	27,815	13,824	13,991
Certificates of participation	2,295,000	-	105,000	2,190,000	110,000	2,080,000
SDC obligations	703,446	-	74,099	629,347	62,935	566,412
Tax exempt financing note	1,200,000	-	100,000	1,100,000	105,000	995,000
Total	<u>\$ 6,092,998</u>	<u>\$ 27,815</u>	<u>\$ 505,223</u>	<u>\$ 5,615,590</u>	<u>\$ 496,504</u>	<u>\$ 5,119,086</u>
Business-Type Activities						
Financing agreement	\$ 191,711	\$ -	\$ 20,648	\$ 171,063	\$ 21,576	\$ 149,487
Notes payable	140,206	-	12,310	127,896	12,415	115,481
SDC obligations	20,637	1,345	2,442	19,540	1,954	17,586
Total	<u>\$ 352,554</u>	<u>\$ 1,345</u>	<u>\$ 35,400</u>	<u>\$ 318,499</u>	<u>\$ 35,945</u>	<u>\$ 282,554</u>



**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG TERM DEBT (Continued)

Future debt service payments to be made in governmental activities by the Capital Improvement and Debt Service funds are as follows:

	<u>Limited Tax Bond</u>		<u>Financing Agreement</u>		<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010-11	\$ 40,321	\$ 15,825	\$ 164,424	\$ 52,990	\$ 13,824	\$ 1,009
2011-12	42,206	13,940	171,496	45,766	13,991	595
2012-13	44,178	11,968	179,452	38,222	-	-
2013-14	46,243	9,903	187,677	30,377	-	-
2014-15	48,404	7,742	195,588	22,130	-	-
2015 to 2019	131,139	9,226	417,300	18,145	-	-
2019 to 2023	-	-	-	-	-	-
Total	\$ 352,491	\$ 68,604	\$ 1,315,937	\$ 207,630	\$ 27,815	\$ 1,604

	<u>Certificates of Participation</u>		<u>Tax Exempt Financing Note</u>		<u>SDC Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010-11	\$ 110,000	\$ 80,638	\$ 105,000	\$ 41,900	\$ 62,935	\$ -
2011-12	115,000	77,263	110,000	37,600	62,935	-
2012-13	120,000	73,618	115,000	33,100	62,935	-
2013-14	120,000	69,718	115,000	28,500	62,935	-
2014-15	125,000	65,613	120,000	23,800	62,935	-
2015 to 2019	715,000	254,968	535,000	44,100	314,672	-
2019 to 2023	885,000	97,276	-	-	-	-
Total	\$ 2,190,000	\$ 719,094	\$ 1,100,000	\$ 209,000	\$ 629,347	\$ -

	<u>Total Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010-11	\$ 496,504	\$ 192,362
2011-12	515,628	175,164
2012-13	521,565	156,908
2013-14	531,855	138,498
2014-15	551,927	119,285
2015 to 2019	2,113,111	326,439
2019 to 2023	885,000	97,276
Total	\$ 5,615,590	\$ 1,205,932

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG TERM DEBT (Continued)

Future debt service payments to be made in business-type activities by the Water and Stormwater funds are as follows:

	Financing Agreement		Note Payable		SDC Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2010-11	\$ 21,576	\$ 6,953	\$ 12,415	\$ 6,263	\$ 1,954	\$ -
2011-12	22,504	6,006	12,527	5,686	1,954	-
2012-13	23,548	5,015	12,647	5,091	1,954	-
2013-14	24,323	3,937	17,775	4,478	1,954	-
2014-15	25,412	2,875	17,910	3,607	1,954	-
2015 to 2019	53,700	2,345	54,622	5,476	9,770	-
Total	\$ 171,063	\$ 27,131	\$ 127,896	\$ 30,601	\$ 19,540	\$ -

	Total Business-Type Activities	
	Principal	Interest
2010-11	\$ 35,945	\$ 13,216
2011-12	36,985	11,692
2012-13	38,149	10,106
2013-14	44,052	8,415
2014-15	45,276	6,482
2015 to 2019	118,092	7,821
Total	\$ 318,499	\$ 57,732

7. OPERATING LEASE COMMITMENTS

The City entered into a lease for three Crown Victoria police vehicles on September 9, 2009 with a term of three years. Total lease expense for the year ended June 30, 2009, was \$42,705. Future minimum lease payments under noncancelable operating leases are as follows:

Years Ending June 30,	Amounts
2010	\$ 42,705
2011	42,705
2012	-
2013	-
2014	-
Total	\$ 85,410

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. COMPENSATED ABSENCES

During the year ended June 30, 2010, the changes in the City's vested compensated absences obligation to employees were as follows:

	<u>Governmental Activities</u>			<u>Business type</u>	
		<u>Internal</u>		<u>Activities</u>	
	<u>Governmental</u>	<u>Service</u>		<u>Proprietary</u>	<u>Combined</u>
	<u>Funds</u>	<u>Fund</u>	<u>Total</u>	<u>Funds</u>	<u>Total</u>
Beginning Balance	\$ 286,099	\$ 46,571	\$ 332,670	\$ 30,677	\$ 363,347
Increases	598,852	40,597	639,449	49,220	688,669
Decreases	552,946	54,492	607,438	51,699	659,137
Ending Balance	<u>\$ 332,005</u>	<u>\$ 32,676</u>	<u>\$ 364,681</u>	<u>\$ 28,198</u>	<u>\$ 392,879</u>

Comparing the beginning and ending vested compensated absence obligation balances to the amounts earned ("increases") and taken ("decreases") during the 2009-10 fiscal year the City expects the entire compensated absences balance to be paid in the next fiscal year, so there is no provision for a long-term portion.

9. INTERFUND ACTIVITY

Interfund activity includes services, equipment rental and interest and approximates \$1,780,000, including activities accounted for in the Internal Service Fund. Interfund activity also includes operating transfers, unrelated to interfund services, as follows:

	<u>Transfer In</u>		
	<u>General</u>	<u>Debt Service</u>	
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
<u>Transfer Out</u>			
General Fund	\$ -	\$ 119,500	\$ 119,500
Street Fund		60,200	60,200
Housing Fund	7,039		7,039
Capital Improvements Fund		46,000	46,000
Water Fund		23,900	23,900
Stormwater Fund		18,000	18,000
Total	<u>\$ 7,039</u>	<u>\$ 267,600</u>	<u>\$ 274,639</u>

The transfer from the General Fund, Street Fund, Capital Improvements Fund, Water Fund, and Stormwater Fund to the Debt Service Fund were made to facilitate the payment of principal and interest on long-term debt. The transfer from the Housing Fund to the General Fund was made to offset the low income utility discounts with the CDBG grant received in the Housing Fund.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for general, auto and property liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The City has not elected to self-insure for any of these risks, except for unemployment claims, vehicle collision and the deductible portions of the commercial insurance policies. There are no unpaid claims outstanding at June 30, 2010 nor were there any unpaid claims outstanding at June 30, 2009.

11. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM

Plan Description – The City is a participating employer in the State of Oregon Public Employees Retirement System (OPERS), which provides statewide defined benefit and defined contribution retirement plans for units of state government, political subdivisions, community colleges and school districts. OPERS is administered under the Oregon Revised Statutes (ORS) Chapter 238, and the Internal Revenue Code Section 401(a) by the Oregon Public Employees Retirement Board (OPERB). The authority to change Plan provisions concerning funding and benefits rests with OPERS and the Oregon Legislature.

Cities, counties and special districts that participate in OPERS may choose to join the State and Local Government Rate Pool (SLGRP). State agencies, community colleges and public institutions of higher education are required by law to be part of the pool. All Oregon school districts are required by law to be part of a separate school district pool. Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contributions rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all the pooled participants. The City has elected to join the SLGRP, a cost-sharing multiple-employer defined benefit pension plan.

City employees participate in one or more OPERS retirement plans that provide pension, death, disability, and post-employment healthcare benefits to members and their beneficiaries. Benefits generally vest after five years of continuous service. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits.

Compulsory retirement age is 70. Retirement benefits are payable in lump sum or monthly amounts using several payment options.

OPERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The stand-alone report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

PERS is a defined benefit pension plan provided to members or their beneficiaries who were hired prior to August 29, 2003. In 1995, the Legislature enacted a second level or "tier" of PERS benefits for persons who established PERS membership on or after January 1, 1996. These Tier Two members do not have the Tier One assumed earnings rate guarantee, and have a higher normal retirement age of 60, compared to 58 for Tier One. OPSRP, is a hybrid retirement plan with two components: a defined

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

11. STATEWIDE LOCAL GOVERNMENT RETIREMENT SYSTEM (continued)

benefit pension plan and a defined contribution pension plan. OPSRP is provided to members or their beneficiaries who were hired on or after August 29, 2003. Employer contributions to PERS and OPSRP are required by state statute and are made at actuarially determined rates as adopted by the OPERB.

Funding Policy – Plan members are required to contribute 6% of their annual covered salary but the City has elected to pay this contribution on their behalf. The City is required by ORS 238.225 to contribute at an actuarially determined rate; the current rate (as of July 1, 2009) is 5.77% for Tier I and Tier II employees, 4.08% for OPSRP general services, and 6.79% for OPSRP police. The contribution requirement of plan members and their employers are established under ORS Chapter 238, and may be amended by an act of the Oregon legislature.

The December 31, 2009 actuarial valuation was released by PERS on October 22, 2009. It was a complete valuation designed to provide certain information that may be of interest. Several changes were made in actuarial methods and allocation procedures as well as to assumptions relating to mortality, salary increases, disability, retirement and termination events, and healthcare costs. GASB 27 disclosures were included in the actuarial valuation of December 31, 2008. The December 31, 2008 Actuarial Valuation Report set contribution rates effective for the period July 1, 2011 to June 30, 2013 at 10.11% for Tier I and Tier II employees, 13.69% for OPSRP general service employees, and 12.82% for OPSRP police and fire employees.

Annual Pension Cost – For the fiscal years ending June 30, 2010, 2009, and 2008 the City's annual pension costs of \$518,060, \$598,527, and \$582,114 were equal to the City's required and actual contributions. The required contributions and liabilities were determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. Because all OPERS employers are required by law to submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation. The contributions actually made are equivalent to 100% of the required annual pension contribution.

12. PROPERTY TAX LIMITATIONS

The State of Oregon has a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional limit reduces the amount of operating property tax revenues available to the City. This reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most property taxes and new bond issues.

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

13. RECENT ACCOUNTING PRONOUNCEMENTS

As described in Note 1 to these financial statements, generally accepted principles (GAAP) include pronouncements of the Governmental Accounting Standards Board (GASB), and the City applies GASB pronouncements to both financial statement presentation and disclosure to the extent they are applicable to City's activities. During 2009-10 several new GASB pronouncements became effective, but only one (GASB 51) was applicable to the City's presentations and disclosures contained in the City's financial statements. That standard relates to the accounting for intangible assets and as further described in Note 5 to the financial statements began to report purchased intangible assets - specifically the cost of land use rights. The City was not required to retroactively report the cost of intangibles acquired prior to July 1, 2009.

14. SUBSEQUENT EVENTS

The City is planning the construction of a water reservoir; no construction contracts had been awarded as of June 30, 2010. The estimated total cost of this multi-year project is \$5,500,000. On October 13, 2010 the City entered into a contract for engineering services on the project totaling approximately \$800,000.



CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Information (GAAP Basis)
General and Major Special Revenue Funds

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - BUDGETARY BASIS
 For the Fiscal Year Ended June 30, 2010

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Taxes	\$ 5,326,000	\$ 5,326,000	\$ 5,492,186	\$ 166,186
Licenses and fees	56,750	56,750	53,128	(3,622)
Intergovernmental	371,000	371,000	458,423	87,423
Charges for services	1,067,500	1,067,500	1,003,987	(63,513)
Fines and forfeitures	139,000	139,000	204,673	65,673
Investment earnings	48,000	48,000	24,946	(23,054)
Miscellaneous	22,000	87,000	175,627	88,627
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	\$ 7,030,250	\$ 7,095,250	\$ 7,412,970	\$ 317,720

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2010

GENERAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
EXPENDITURES:				
Mayor and Council	\$ 73,250	\$ 73,250	\$ 64,347	\$ 8,903
Administration	615,100	615,100	545,191	69,909
Technical services	409,600	409,600	356,515	53,085
City enhancement	143,500	158,500	162,443	(3,943)
Finance	793,550	793,550	739,539	54,011
Interdepartmental	120,000	120,000	66,677	53,323
Parks and recreation - parks	638,300	638,300	629,620	8,680
Parks and recreation - recreation	516,600	566,600	510,006	56,594
Planning	556,050	556,050	503,499	52,551
Police	3,567,300	3,567,300	3,485,011	82,289
Total Expenditures	7,433,250	7,498,250	7,062,848	435,402
Excess of Revenues Over (Under) Expenditures	(403,000)	(403,000)	350,122	753,122
OTHER FINANCING SOURCES (USES):				
Transfers in	25,000	25,000	7,039	(17,961)
Transfers out	(119,500)	(119,500)	(119,500)	-
Net Transfers	(94,500)	(94,500)	(112,461)	(17,961)
Contingency	(150,000)	(150,000)	-	150,000
Net Change in Fund Balance	(647,500)	(647,500)	237,661	885,161
Beginning Fund Balance	2,464,000	2,464,000	2,916,708	452,708
Ending Fund Balance	\$ 1,816,500	\$ 1,816,500	\$ 3,154,369	\$ 1,337,869
Current:				
General government			\$ 2,438,211	
Public safety			3,485,011	
Parks and recreation			1,139,626	
Total			\$ 7,062,848	

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2010

	STREET FUND			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Taxes	\$ 375,000	\$ 375,000	\$ -	\$ (375,000)
Intergovernmental	1,075,000	1,075,000	964,645	(110,355)
Charges for services	342,500	342,500	476,292	133,792
Investment earnings	40,000	40,000	11,848	(28,152)
Miscellaneous	48,000	48,000	14,347	(33,653)
Total Revenues	1,880,500	1,880,500	1,467,132	(413,368)
EXPENDITURES:				
Street operations	1,591,300	1,591,300	1,499,750	91,550
SDC streets	630,000	630,000	44,512	585,488
Total Expenditures	2,221,300	2,221,300	1,544,262	677,038
Excess of Revenues Over (Under) Expenditures	(340,800)	(340,800)	(77,130)	263,670
OTHER FINANCING SOURCES (USES):				
Transfers out	(60,200)	(60,200)	(60,200)	-
Net Transfers	(60,200)	(60,200)	(60,200)	-
Financing proceeds	-	-	27,815	27,815
Contingency	(150,000)	(150,000)	-	150,000
Net Change in Fund Balance	(551,000)	(551,000)	(109,515)	441,485
Beginning Fund Balance	1,718,000	1,718,000	1,816,740	98,740
Ending Fund Balance	\$ 1,167,000	\$ 1,167,000	\$ 1,707,225	\$ 540,225
Current:				
Highways and streets			\$ 1,534,866	
Debt service:				
Principal			9,396	
Interest			-	
			\$ 1,544,262	

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

SUPPLEMENTARY INFORMATION

Budgetary Comparison Information (GAAP Basis)
Capital Improvement, Debt Service, Enterprise and Internal Service Funds
and
Other Financial Schedules

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2010

HOUSING FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Investment earnings	\$ 1,500	\$ 1,500	\$ 349	\$ (1,151)
Miscellaneous	25,000	25,000	7,038	(17,962)
Total Revenues	26,500	26,500	7,387	(19,113)
EXPENDITURES:				
Materials and services	5,000	5,000	5,000	-
Total Expenditures	5,000	5,000	5,000	-
Excess of Revenues Over (Under) Expenditures	21,500	21,500	2,387	(19,113)
OTHER FINANCING SOURCES (USES)				
Transfer out	(25,000)	(25,000)	(7,039)	17,961
Net Change in Fund Balance	(3,500)	(3,500)	(4,652)	(1,152)
Beginning Fund Balance	54,900	54,900	54,594	(306)
Ending Fund Balance	<u>\$ 51,400</u>	<u>\$ 51,400</u>	<u>\$ 49,942</u>	<u>\$ (1,458)</u>
Current:				
General government			<u>\$ 5,000</u>	

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2010

CAPITAL IMPROVEMENT FUND				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Charges for services	\$ 100,000	\$ 100,000	\$ 26,585	\$ (73,415)
Investment earnings	10,000	10,000	658	(9,342)
Total Revenues	110,000	110,000	27,243	(82,757)
EXPENDITURES:				
Capital outlay:				
Recreation center	65,000	130,000	53,469	76,531
Debt service	39,500	34,500	15,561	18,939
Total Expenditures	104,500	164,500	69,030	95,470
Excess of Revenues Over (Under) Expenditures	5,500	(54,500)	(41,787)	12,713
OTHER FINANCING SOURCES (USES):				
Transfers out	(46,000)	(46,000)	(46,000)	-
Net Transfers	(46,000)	(46,000)	(46,000)	-
Net Change in Fund Balance	(40,500)	(100,500)	(87,787)	12,713
Beginning Fund Balance	190,000	190,000	161,166	(28,834)
Ending Fund Balance	\$ 149,500	\$ 89,500	\$ 73,379	\$ (16,121)
Current:				
Parks and recreation			\$ 53,469	
Debt service:				
Principal			15,561	
Interest			-	
Total			\$ 69,030	

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2010

DEBT SERVICE FUND				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Intergovernmental	\$ 162,900	\$ 162,900	\$ 162,864	\$ (36)
Charges for services	190,000	190,000	190,809	809
Assessments	71,200	71,200	83,145	11,945
Investment earnings	2,500	2,500	767	(1,733)
Total Revenues	426,600	426,600	437,585	10,985
EXPENDITURES:				
Debt Service	691,700	691,700	686,663	5,037
Total Expenditures	691,700	691,700	686,663	5,037
Excess of Revenues Over (Under) Expenditures	(265,100)	(265,100)	(249,078)	16,022
OTHER FINANCING SOURCES (USES):				
Transfers in	267,600	267,600	267,600	-
Net Change in Fund Balance	2,500	2,500	18,522	16,022
Beginning Fund Balance	79,700	79,700	98,807	19,107
Ending Fund Balance	\$ 82,200	\$ 82,200	\$ 117,329	\$ 35,129
Debt service:				
Principal			\$ 463,398	
Interest			223,265	
Total			\$ 686,663	

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2010

	WATER FUND			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Charges for services	\$ 2,358,000	\$ 2,358,000	\$ 2,149,693	\$ (208,307)
Intergovernmental	3,000,000	3,000,000	-	(3,000,000)
Investment earnings	65,000	65,000	11,743	(53,257)
Miscellaneous	1,000	1,000	12,047	11,047
Total Revenues	5,424,000	5,424,000	2,173,483	(3,250,517)
EXPENDITURES:				
Operations	3,830,730	3,830,730	2,564,124	1,266,606
SDC water improvements	2,020,000	2,020,000	592,225	1,427,775
Total Expenditures	5,850,730	5,850,730	3,156,349	2,694,381
Excess of Revenue Over (Under) Expenditures	(426,730)	(426,730)	(982,866)	(556,136)
OTHER FINANCING SOURCES AND (USES):				
Transfers out	(23,900)	(23,900)	(23,900)	-
Net Transfers	(23,900)	(23,900)	(23,900)	-
Contingency	(125,000)	(125,000)	-	125,000
Net Change in Fund Balance	(575,630)	(575,630)	(1,006,766)	(431,136)
Beginning Fund Balance	2,259,000	2,259,000	2,726,537	467,537
Ending Fund Balance	<u>\$ 1,683,370</u>	<u>\$ 1,683,370</u>	1,719,771	<u>\$ 36,401</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	15,973,802
Long term debt	(177,514)
Total Net Assets	<u>\$ 17,516,059</u>

**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2010**

STORMWATER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Intergovernmental	\$ -	\$ 10,000	\$ 9,905	\$ (95)
Charges for services	526,500	526,500	543,537	17,037
Investment earnings	4,500	4,500	1,595	(2,905)
Miscellaneous	-	-	12,093	12,093
Total Revenues	531,000	541,000	567,130	26,130
EXPENDITURES:				
Operations	548,600	558,600	492,951	65,649
SDC stormwater improvements	9,200	9,200	2,442	6,758
Total Expenditures	557,800	567,800	495,393	72,407
Excess of Revenues Over (Under) Expenditures	(26,800)	(26,800)	71,737	98,537
OTHER FINANCING SOURCES (USES):				
Transfers out	(18,000)	(18,000)	(18,000)	-
Net Transfers	(18,000)	(18,000)	(18,000)	-
Contingency	(25,000)	(25,000)	-	25,000
Net Change in Fund Balance	(69,800)	(69,800)	53,737	123,537
Beginning Fund Balance	115,900	115,900	252,094	136,194
Ending Fund Balance	<u>\$ 46,100</u>	<u>\$ 46,100</u>	305,831	<u>\$ 259,731</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	8,296,793
Long term debt	<u>(140,985)</u>
Total Net Assets	<u>\$ 8,461,639</u>

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2010

	<u>BUILDING FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Licenses and fees	\$ 85,700	\$ 85,700	\$ 54,418	\$ (31,282)
Investment earnings	4,500	4,500	2,071	(2,429)
Miscellaneous	1,000	1,000	112	(888)
Total Revenues	<u>91,200</u>	<u>91,200</u>	<u>56,601</u>	<u>(34,599)</u>
EXPENDITURES:				
Personal services	155,050	155,050	126,618	28,432
Materials and services	<u>27,600</u>	<u>27,600</u>	<u>25,908</u>	<u>1,692</u>
Total Expenditures	<u>182,650</u>	<u>182,650</u>	<u>152,526</u>	<u>30,124</u>
Excess of Revenues Over (Under) Expenditures	<u>(91,450)</u>	<u>(91,450)</u>	<u>(95,925)</u>	<u>(4,475)</u>
Net Change in Fund Balance	(91,450)	(91,450)	(95,925)	(4,475)
Beginning Fund Balance	<u>274,200</u>	<u>274,200</u>	<u>332,154</u>	<u>57,954</u>
Ending Fund Balance	<u>\$ 182,750</u>	<u>\$ 182,750</u>	<u>236,229</u>	<u>\$ 53,479</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	<u>3,892</u>
Total Net Assets	<u>\$ 240,121</u>

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - BUDGETARY BASIS
For the Fiscal Year Ended June 30, 2010

INTERNAL SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for services	\$ 1,305,500	\$ 1,305,500	\$ 1,243,107	\$ (62,393)
Investment earnings	10,000	10,000	4,308	(5,692)
Miscellaneous	15,000	15,000	331	(14,669)
Total revenues	<u>1,330,500</u>	<u>1,330,500</u>	<u>1,247,746</u>	<u>(82,754)</u>
EXPENDITURES:				
Public works administration	626,700	626,700	603,400	23,300
Facilities maintenance	292,800	292,800	278,012	14,788
Fleet maintenance	335,550	335,550	267,412	68,138
Total expenditures	<u>1,255,050</u>	<u>1,255,050</u>	<u>1,148,824</u>	<u>106,226</u>
Excess of Revenues Over (Under) Expenditures	<u>75,450</u>	<u>75,450</u>	<u>98,922</u>	<u>23,472</u>
OTHER FINANCING SOURCES (USES)				
Contingency	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	25,450	25,450	98,922	73,472
Beginning Fund Balance	<u>441,000</u>	<u>441,000</u>	<u>531,827</u>	<u>90,827</u>
Ending Fund Balance	<u>\$ 466,450</u>	<u>\$ 466,450</u>	<u>630,749</u>	<u>\$ 164,299</u>

Reconciliation to Proprietary Net Assets:

Capital Assets, net	<u>448,178</u>
Total Net Assets	<u>\$ 1,078,927</u>

CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED

For the Fiscal Year Ended June 30, 2010

GENERAL FUND					
TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/08	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/09
Current:					
2009-10	\$ 4,425,222	\$ 105,759	\$ (52,094)	\$ 4,082,008	\$ 185,361
Prior Years:					
2008-09	212,502	-	2,858	133,745	81,615
2007-08	74,069	-	3,998	41,415	36,652
2006-07	29,302	-	3,215	22,124	10,393
2005-06	10,768	-	847	8,133	3,482
2004-05	2,399	-	(2,111)	345	(57)
2003-04	2,085	-	(1,249)	469	367
2002-03 & Prior	5,334	-	10	814	4,530
Total Prior	336,459	-	7,568	207,045	136,982
Total All Funds	\$ 4,761,681	\$ 105,759	\$ (44,526)	\$ 4,289,053	\$ 322,343



**CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON**

STATISTICAL SECTION

This part of the City of Central Point, Oregon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Financial Trends

- These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.
- Schedules 1, 2, 3, 4, 5 and 6

Revenue Capacity

- These schedules contain information to help the reader assess the City's most significant local revenue source – the property tax.
- Schedules 7, 8, 9 and 10

Debt Capacity

- These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.
- Schedules 11, 12, 13, 14 and 15

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.
- Schedules 16 and 17

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.
- Schedules 18, 19 and 20

Sources of Information

- Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years. The City implemented GASB Statement 34 with the year ended June 30, 2004; schedules presenting government-wide information include information beginning with that year.

Schedule 1
City of Central Point, Oregon
Net Assets By Component
(accrual basis of accounting)
Last Six Fiscal Years

Fiscal Year Ended June 30,	2004	2005	2006	2007	2008	2009	2010
Governmental activities							
Invested in capital assets, net of related debt	\$ 6,776,253	18,366,890	\$ 14,274,528	\$ 49,168,194	\$ 48,838,382	\$ 48,417,254	\$ 46,594,689
Restricted	4,151,878	2,708,036	78,455	1,614,643	1,851,088	4,751,603	4,302,082
Unrestricted	5,470,692	8,154,412	5,003,468	4,721,419	3,599,064	2,507,938	2,904,153
Total governmental activities net assets	\$ 16,398,823	29,229,338	19,356,451	55,504,256	54,288,534	55,676,795	53,800,924
Business-type activities							
Invested in capital assets, net of related debt	-	-	2,105,398	22,994,016	23,251,411	23,619,580	23,955,986
Restricted	-	-	-	2,645,236	2,357,084	2,354,177	1,816,743
Unrestricted	-	-	4,331,735	1,429,915	1,378,880	956,608	445,095
Total business-type activities net assets	-	-	6,437,133	27,069,167	26,987,375	26,930,365	26,217,824
Primary government							
Invested in capital assets, net of related debt	6,776,253	18,366,890	16,379,926	72,162,210	72,089,793	72,036,834	70,550,675
Restricted	4,151,878	2,708,036	78,455	4,259,879	4,208,172	7,105,780	6,118,825
Unrestricted	5,470,692	8,154,412	9,335,203	6,151,334	4,977,944	3,464,546	3,349,248
Total primary government	\$ 16,398,823	29,229,338	\$ 25,793,584	\$ 82,573,423	\$ 81,275,909	\$ 82,607,160	\$ 80,018,748

Note: The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04

Schedule 2
City of Central Point, Oregon
Changes in Net Assets
(accrual basis of accounting)
Last Six Fiscal Years

<u>Fiscal Years Ended June 30,</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Expenses</u>							
Governmental activities:							
General government	\$ 3,089,851	\$ 4,576,469	\$ 5,050,809	\$ 3,951,952	\$ 3,938,907	\$ 3,867,997	\$ 3,818,268
Public safety	1,680,363	1,652,909	3,747,234	3,635,878	3,406,748	3,432,492	3,546,951
Highways and streets	1,899,179	2,459,870	2,397,249	4,831,908	3,897,122	2,759,920	3,559,735
Parks and recreation	517,400	912,296	1,266,213	1,192,426	1,051,388	1,104,629	1,204,106
Interest on long term debt	21,712	63,399	195,475	108,068	169,560	174,600	228,498
Total governmental activities net assets	\$ 7,208,505	\$ 9,664,943	\$ 12,656,980	\$ 13,720,232	\$ 12,463,721	\$ 11,339,638	\$ 12,357,568
Business-type activities							
Water services	\$ -	\$ -	\$ 2,731,567	\$ 2,057,023	\$ 2,290,365	\$ 2,395,403	\$ 2,638,608
Stormwater services	-	-	-	541,127	790,686	613,368	675,609
Building services	-	-	905,161	788,695	504,341	209,814	153,638
Total business-type activities net assets	\$ -	\$ -	\$ 3,636,748	\$ 3,386,845	\$ 3,585,392	\$ 3,218,685	\$ 3,467,865
<u>Program revenues</u>							
Governmental activities:							
Charges for services							
General Government	\$ 3,458,165	\$ 3,177,416	\$ 666,746	\$ 4,296,043	\$ 2,315,279	\$ 2,649,709	\$ 2,499,067
Public safety	-	163,358	203,062	175,303	169,673	156,336	204,673
Highways and streets	627,263	35,978	215,034	1,432,101	3,209,989	1,442,138	1,243,122
Parks and recreation	222,210	171,042	144,919	688,663	376,309	329,248	219,162
Interest on long term debt	-	-	-	-	530,515	326,743	260,654
Operating grants and contributions	-	2,576,483	859,084	24,084	58,459	14,141	5,691
Capital grants	-	-	-	935,561	-	267,900	170,000
Total governmental activities program revenues	\$ 4,307,638	\$ 6,124,275	\$ 2,088,846	\$ 7,561,755	\$ 6,660,224	\$ 5,176,216	\$ 4,602,369
Business-type activities:							
Charges for services							
Water services	\$ -	\$ -	\$ 2,536,710	\$ 2,523,892	\$ 2,313,551	\$ 2,303,604	\$ 2,149,693
Stormwater services	-	-	658,051	569,363	577,362	588,752	543,537
Building services	-	-	-	399,758	412,585	180,107	54,418
Capital grants	-	-	-	-	-	-	9,905
Total business-type activities program revenues	\$ -	\$ -	\$ 3,194,761	\$ 3,493,013	\$ 3,303,498	\$ 3,072,463	\$ 2,767,653
<u>Net (expense)/revenue</u>							
Governmental activities:	\$ (2,900,867)	\$ (3,540,668)	\$ (10,568,135)	\$ (6,168,477)	\$ (5,803,497)	\$ (6,163,423)	\$ (7,755,109)
Business-type activities:	-	-	(441,987)	106,168	(281,894)	(146,122)	(710,302)
Total primary government net expense	\$ (2,900,867)	\$ (3,540,668)	\$ (11,010,122)	\$ (6,062,309)	\$ (6,085,391)	\$ (6,309,545)	\$ (8,465,491)
<u>General Revenues and Other Changes in Net Assets</u>							
Governmental activities:							
Taxes							
Property	\$ 2,825,627	\$ 3,118,666	\$ 3,347,470	\$ 3,758,727	\$ 4,068,601	\$ 4,359,832	\$ 4,274,310
Other	864,601	1,460,452	1,897,786	778,941	855,575	911,080	942,997
Hotel/Motel	-	-	-	293,468	343,237	299,009	297,808
Intergovernmental	972,701	516,456	-	-	-	-	-
Interest	129,763	270,858	205,453	288,082	287,039	122,221	42,876
Miscellaneous	550,130	475,007	1,924,816	67,364	61,084	156,261	279,427
Transfers	-	-	(2,994,093)	(235,000)	-	-	41,900
Total governmental activities	\$ 5,342,822	\$ 5,841,439	\$ 4,361,432	\$ 4,951,682	\$ 5,616,636	\$ 5,848,403	\$ 5,879,318
Business-type activities							
Interest	\$ -	\$ -	\$ 178,540	\$ 215,268	\$ 181,545	\$ 82,411	\$ 15,409
Miscellaneous	-	-	20,303	50,856	18,556	6,702	24,252
Transfers	-	-	2,994,093	235,000	-	-	(41,900)
Total Business-type activities	\$ -	\$ -	\$ 3,192,936	\$ 501,124	\$ 200,101	\$ 89,113	\$ (2,239)
<u>Change in Net Assets</u>							
Governmental activities	\$ 2,441,955	\$ 2,300,771	\$ (6,186,703)	\$ (1,216,895)	\$ (187,961)	\$ (315,020)	\$ (1,875,871)
Business-type activities	-	-	2,750,949	607,292	(81,793)	(57,009)	(712,541)
Total primary government	\$ 2,441,955	\$ 2,300,771	\$ (3,435,754)	\$ (609,603)	\$ (269,764)	\$ (372,029)	\$ (2,588,412)

Note: The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04

Schedule 3
City of Central Point, Oregon
Governmental Activities Tax Revenues By Source
(accrual basis of accounting)
Last Six Fiscal Years

	Fiscal Years Ended June 30,	2004	2005	2006	2007	2008	2009	2010
Property taxes	\$	2,825,627	\$ 3,118,666	\$ 3,347,470	\$ 3,758,727	\$ 4,068,601	\$ 4,359,832	\$ 4,274,310
Franchise taxes		-	-	-	778,941	855,575	911,080	942,997
Hotel/Motel taxes		-	-	-	293,468	343,237	299,009	297,808
Other taxes		864,601	1,460,452	1,897,786	-	-	-	-
Total	\$	3,690,228	\$ 4,579,118	\$ 5,245,256	\$ 4,831,136	\$ 5,267,413	\$ 5,569,921	\$ 5,515,115

Note: The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04

Schedule 4
City of Central Point, Oregon
Fund Balances, Governmental Funds
(modified accrual basis of accounting)
Last Six Fiscal Years

	Fiscal Years Ended June 30,					
	2004	2005	2006	2007	2008	2009
General Fund						
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,489,537	2,620,358	2,209,720	2,448,843	2,613,391	2,916,709
Total general funds	\$ 2,489,537	\$ 2,620,358	\$ 2,209,720	\$ 2,448,843	\$ 2,613,391	\$ 2,916,709
All other governmental funds						
Reserved, reported in:						
Debt service fund	\$ 9,507	\$ 2,835	\$ 78,455	\$ 87,591	\$ 39,619	\$ 98,807
Special revenue fund	-	61,945	-	-	-	-
Unreserved, reported in:						
Special revenue fund	1,256,820	5,281,808	2,120,243	3,139,464	1,688,137	1,871,334
Capital projects fund	5,422,851	2,445,135	177,638	128,915	566,497	161,166
Total all other governmental funds	\$ 6,689,178	\$ 7,791,723	\$ 2,376,336	\$ 3,355,970	\$ 2,294,253	\$ 2,131,307
						\$ 1,947,875

Note: The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04.

Schedule 5
City of Central Point, Oregon
Changes in Fund Balances, Governmental Funds
(modified accrual basis of accounting)
Last Six Fiscal Years

Fiscal Years Ended June 30,	2004	2005	2006	2007	2008	2009	2010
REVENUES:							
Taxes	\$ 3,753,389	\$ 4,563,177	\$ 5,283,064	\$ 4,655,097	\$ 5,033,472	\$ 5,270,507	\$ 5,492,186
Licenses and permits	561,713	597,762	496,318	59,485	57,915	58,990	53,128
Intergovernmental	972,701	516,456	859,084	2,138,190	1,516,709	1,523,005	1,585,932
Charges for services	3,402,472	3,932,428	244,375	2,783,099	2,320,486	2,194,384	1,697,673
Assessments	-	-	-	239,095	185,231	82,874	83,145
Fines and forfeitures	320,037	163,356	203,062	175,303	169,674	156,336	204,673
Investment earnings	129,763	270,858	205,452	265,232	264,844	109,949	38,568
Miscellaneous	573,546	435,450	2,337,826	85,783	60,567	106,849	197,012
Total Revenues	9,713,621	10,479,487	9,629,181	10,402,184	9,608,898	9,502,894	9,352,317
EXPENDITURES:							
Current	-	-	-	-	-	-	-
General government	-	-	-	2,104,782	1,076,877	1,772,998	1,426,625
Public Safety	-	-	-	3,326,099	3,228,420	3,275,750	3,485,011
Highways and streets	-	-	-	3,660,993	1,152,794	1,135,045	1,220,863
Parks and recreation	-	-	-	1,115,899	1,351,709	1,029,186	1,191,358
Personal services	4,385,505	4,714,032	4,538,070	-	-	-	-
Materials and services	2,918,101	3,244,676	2,996,267	-	-	-	-
Debt service	-	70,773	207,813	-	-	-	-
Principal	207,943	-	-	173,615	468,792	499,342	488,355
Interest	21,712	-	-	108,068	154,171	180,764	223,265
Capital outlay	2,074,928	5,406,222	2,954,046	1,011,428	3,712,192	2,878,934	1,332,325
Total Expenditures	9,608,189	13,435,703	10,696,196	11,500,884	11,144,955	10,772,019	9,367,803
Excess of revenues over (under) expenditures	105,432	(2,956,216)	(1,067,015)	(1,098,700)	(1,536,057)	(1,269,125)	(15,486)
OTHER FINANCING SOURCES (USES)							
Transfers in	1,244,175	45,000	1,269,941	50,000	30,000	62,500	274,639
Transfers out	(1,244,175)	(45,000)	(4,264,034)	(285,000)	(30,000)	(62,500)	(232,739)
State capital grants	-	1,470,286	-	-	-	-	-
Long term debt proceeds	-	2,657,351	-	2,552,457	638,889	1,409,496	27,815
Total other financings sources (uses)	-	4,127,637	(2,994,093)	2,317,457	638,889	1,409,496	69,715
Net Change in Fund Balance	105,432	1,171,421	(4,061,108)	1,218,757	(897,168)	140,371	54,229
Beginning fund balance	9,073,283	9,178,715	8,647,167	4,586,056	5,804,813	4,907,645	5,048,015
Ending fund balance	\$ 9,178,715	\$ 10,350,136	\$ 4,586,059	\$ 5,804,813	\$ 4,907,645	\$ 5,048,016	\$ 5,102,244
Debt service as a percentage of non-capital expenditures	3.14%	0.89%	2.76%	2.76%	9.15%	9.43%	9.72%

Note: The City implemented GASB Statement 34 with the year ended June 30, 2004. Data not available for years prior to 2003-04.

Schedule 6
City of Central Point, Oregon
General Governmental Tax Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Years Ended June, 30	Property Taxes	Franchise Taxes	Hotel/Motel Taxes	Other Taxes	Total
2001	\$ 2,752,263	\$ -	\$ -	472,569	\$ 3,224,832
2002	2,403,915	-	-	574,499	2,978,414
2003	2,576,658	-	-	578,796	3,155,454
2004	2,888,788	-	-	864,601	3,753,389
2005	3,102,725	-	-	1,460,452	4,563,177
2006	3,385,278	-	-	1,897,786	5,283,064
2007	3,582,688	778,941	293,468	-	4,655,097
2008	3,834,660	855,575	343,237	-	5,033,472
2009	4,060,418	911,080	299,009	-	5,270,507
2010	4,251,381	942,997	297,808	-	5,492,186

Schedule 7
City of Central Point, Oregon
Assessed and Estimated Real Market Value of Taxable Property
Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year Ended	Taxable Assessed Value					Total		Real Market Value
	Real Property	Mobile Homes	Personal Property	Utilities	Non-Profit Housing	Total	Direct Tax Rate	
							(1) (2)	(5)
2001	\$ 445,197	\$ 24,121	\$ 8,845	\$ 7,236	\$ -	\$ 485,399	\$ 5.83	\$ 620,811
2002	497,859	25,159	11,970	9,050	-	544,038	4.00	709,399
2003	548,866	26,813	12,177	7,916	-	595,772	4.47	756,827
2004	605,693	28,372	12,426	7,096	-	653,587	4.47	855,645
2005	684,225	9,596	13,028	8,322	-	715,171	4.47	1,012,062
2006	740,622	10,456	12,683	7,344	-	771,105	4.47	1,341,053
2007	804,660	11,407	15,157	7,957	-	839,181	4.47	1,589,797
2008	863,168	10,879	15,637	7,759	2,036	899,478	4.47	1,714,248
2009	914,230	10,091	14,757	8,049	2,097	949,224	4.47	1,621,274
2010	950,387	9,395	14,133	11,924	2,160	987,999	4.47	1,428,667

Source: Jackson County Assessment Records

Notes:

- (1) For 2001 this tax rate is determined by the City Charter.
- (2) For years after 2001 this rate was set by a statewide voter initiative and is referred to as the "maximum tax rate".
- (3) Any property taxes levied in excess than that derived through maximum tax rate requires local voter approval.
- (4) The City of Central Point does not levy the maximum approved tax rate per \$1,000 of Taxable Assessed Value.
- (5) "Real Market Value" is the descriptive term contained in Oregon law that means "Estimated Actual Value of Taxable Property".

Schedule 8
City of Central Point, Oregon
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year Ended	Direct		Overlapping								Total	Combined
	Central Point	Jackson County	Transit District	Vector Control District	Rogue Comm. College	Educ. Service District	Fire District #3	School District #6/549C				
2001	\$ 5.83	\$ 2.55	\$ 0.18	\$ 0.04	\$ 0.51	\$ 0.35	\$ -	\$ 6.09	\$ 9.72	\$ 15.55		
2002	4.47	2.66	0.18	0.04	0.51	0.35	2.69	6.13	12.56	17.03		
2003	4.47	4.53	0.17	0.04	0.50	0.34	2.53	4.54	12.65	17.12		
2004	4.47	4.08	0.17	0.04	0.50	0.34	2.68	5.20	13.01	17.48		
2005	4.47	3.94	0.17	0.04	0.50	0.34	2.69	5.06	12.74	17.21		
2006	4.47	3.94	0.17	0.04	0.50	0.34	2.71	5.02	12.72	17.19		
2007	4.47	3.60	0.17	0.04	0.62	0.34	2.72	5.09	12.58	17.05		
2008	4.47	3.80	0.17	0.04	0.62	0.34	2.67	4.99	12.63	17.10		
2009	4.47	3.61	0.17	0.04	0.61	0.34	2.67	5.00	12.44	16.91		
2010	4.47	2.37	0.18	0.04	0.63	0.35	3.12	5.57	12.25	16.72		

Source: Jackson County Tax Assessor for Tax Area 602.

Schedule 9

City of Central Point, Oregon
Principal Property Taxpayers
Fiscal Years Ending June 30

Taxpayers	Type of Business	2010		Percentage of		2001		Percentage of	
		Assessed	Valuation	Total Assessed	Valuation	Assessed	Valuation	Total Assessed	Valuation
USF Reddaway	Distribution	\$	6,825,890	0.69%	\$	4,604,940	0.47%		
Galpin Holdings LLC	Builder/Developer		6,607,720	0.67%					
Twin Creeks Develop Co LLC	Builder/Developer		6,276,561	0.64%					
Investors II LLC	Builder/Developer		5,678,150	0.57%					
Twin Creeks Retirement	Retirement Living Community		5,134,360	0.52%					
STJ 1 LLC Et Al	Shopping Center		4,833,930	0.49%					
New Albertson's Inc	Shopping Center		4,671,720	0.47%					
Beebe Wood LLC	Builder/Developer		3,621,482	0.37%					
Travel Center Development	Truck Stop/Store		3,997,140	0.40%					
Avista Corp	Gas Utility		3,702,400	0.37%					
Albertson's Inc.	Shopping Center					3,155,530	0.32%		
Qwest Corporation	Telephone Utility					2,830,600	0.52%		
Malton Enterprises	Builder/Developer					5,656,380	0.57%		
Central Point Lumber	Wood Products					3,588,850	0.36%		
Walnut Grove LLC	Builder/Developer					3,546,970	0.36%		
Grange Co-op	Supply Association					2,897,670	0.29%		
Pacificorp	Electric Utility					2,630,060	0.48%		
						2,262,510	0.42%		
						2,083,400	0.38%		
Total Value Principal Taxpayers		\$	51,350,353	5.20%	\$	33,256,910	6.11%		
Total Assessed Value all Taxable Property		\$	987,997,881		\$	544,037,650			

Total 2010 Assessed Value = \$987,997,881Total 2001 Assessed Value+ \$544,037,650

Source: Jackson County Assessor's Office.

Schedule 10
City of Central Point, Oregon
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy	Current Tax Collec- tions	% of Levy Collec- ted	Delinq. Tax Collec- tions	Total Tax Collec- tions	Percent of Total Tax Collect. to Tax Levy	Out- standing Delinq. Taxes	Percent of Delinq. Tax to Tax Levy
2001	\$ 2,831,066	\$ 2,625,272	92.7%	\$ 126,991	\$ 2,752,263	97.2%	\$ 263,222	9.3%
2002	2,438,822	2,258,577	92.6%	145,338	2,403,915	98.6%	258,832	10.6%
2003	2,654,758	2,436,255	91.8%	140,403	2,576,658	97.1%	256,975	9.7%
2004	2,912,038	2,747,523	94.4%	142,466	2,889,989	99.2%	192,613	6.6%
2005	3,184,363	3,012,368	94.6%	117,628	3,129,996	98.3%	198,099	6.2%
2006	3,737,802	3,238,731	86.6%	147,842	3,386,573	90.6%	158,995	4.3%
2007	3,902,856	3,491,251	89.5%	90,465	3,581,716	91.8%	256,846	6.6%
2008	4,017,179	3,799,328	94.6%	79,166	3,878,494	96.5%	271,213	6.8%
2009	4,244,501	3,943,985	92.9%	151,074	4,095,059	96.5%	336,457	7.9%
2010	4,425,222	4,082,008	92.2%	207,045	4,289,053	96.9%	322,343	7.3%

Source: City of Central Point Financial Records and Jackson County Assessor's Office

Note: Collections reflect cash transactions as presented on the Schedule of Property Tax Transactions.

Schedule 11
City of Central Point, Oregon
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities							Total
	SDC Obligations	Financing Agreement	Capital Leases	Note Payable	Limited Tax Improvement Bonds	Tax Exempt Financing Note	Certificates of Participation	
2001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2002	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-
2004	-	-	180,812	-	-	-	-	180,812
2005	-	-	182,734	-	-	-	2,700,000	2,882,734
2006	-	-	134,897	114,662	-	-	2,600,000	2,849,559
2007	470,829	1,769,557	88,185	166,145	-	-	2,500,000	4,994,716
2008	551,078	1,624,453	38,762	93,306	457,214	-	2,400,000	5,164,813
2009	703,446	1,473,974	-	19,087	401,491	1,200,000	2,295,000	6,092,998
2010	629,347	1,315,937	-	27,815	352,491	1,100,000	2,190,000	5,615,590

Notes

- (1) Details of the City's outstanding debt can be found in the notes to the financial statements.
- (2) *Data not available as of 11/10/10

Schedule 11
City of Central Point, Oregon
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

Business-type Activities									
SDC Obligations	Financing Agreement	Note Payable	Total	Total Primary Government	Personal Income	% Personal Income	Debt Per Capita		
\$ -	\$ -	\$ 152,415	\$ 152,415	\$ 152,415	\$ 343,297,300	0.04%	\$ 11		
-	-	152,415	152,415	152,415	373,855,240	0.04%	11		
-	-	152,415	152,415	152,415	392,600,750	0.04%	10		
-	-	152,415	152,415	333,227	426,538,450	0.08%	22		
-	-	152,415	152,415	3,035,149	471,280,120	0.64%	194		
-	-	152,415	152,415	3,001,974	526,041,750	0.57%	181		
37,349	230,443	152,415	420,207	5,414,923	578,151,000	0.94%	314		
25,707	211,547	152,415	389,669	5,554,482	587,464,650	0.95%	326		
20,637	191,711	140,206	352,554	6,445,552	*N/A	*N/A	376		
19,540	171,063	127,896	318,499	5,934,089	*N/A	*N/A	346		

Schedule 12
City of Central Point, Oregon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended	Limited Tax Bonds	Estimated Real Market Value (RMV) Of Taxable Property	% of RMV	Population	Debt Per Capita
2001	\$ -	620,811,000	0.00%	13,460	\$ -
2002	-	709,399,000	0.00%	14,120	-
2003	-	756,827,000	0.00%	14,750	-
2004	-	855,645,000	0.00%	14,950	-
2005	-	1,012,062,000	0.00%	15,640	-
2006	-	1,341,053,000	0.00%	16,550	-
2007	500,000	1,589,797,000	0.03%	17,250	28.99
2008	457,214	1,714,248,000	0.03%	17,025	26.86
2009	401,491	1,621,273,750	0.02%	17,160	23.40
2010	352,491	1,428,666,739	0.02%	17,165	20.54

Source: City of Central Point Financial Records.

Notes:

- (1) Limited tax bonds were issued to finance improvement projects benefited specific property owners who repay the bonds by special assessments. Should the special assessments be insufficient to meet the debt service obligation the full faith, credit and taxing power of the City is committed to repay the debt.
- (2) There are no amounts available in the Debt Service Fund because all amounts are comingled and not separately identified to specific outstanding debt.
- (3) The City has no other long term debt outstanding that the City's full faith, credit and taxing power has been pledged for repayment.

Schedule 13
City of Central Point, Oregon
Direct and Overlapping Governmental Activities Debt
As of June 30, 2010

Jurisdiction	Net Debt Outstanding (1)	Direct Debt and Overlapping Debt Applicable within City of Central Point (2)	Amount Applicable Within City of Central Point
City of Central Point	\$ <u>5,934,089</u>	<u>100.00%</u>	\$ <u>5,934,089</u>
Jackson County School District 6			
General Obligation Bonds	\$ <u>22,440,000</u>	<u>41.53%</u>	<u>9,319,617</u>
Jackson County School District 549C			
General Obligation Bonds	\$ 188,920,000	0.98%	1,851,416
Limited Tax Pension Obligation Bonds	<u>39,740,000</u>	<u>0.98%</u>	<u>389,452</u>
Total	\$ <u>228,660,000</u>	<u>0.98%</u>	<u>2,240,868</u>
			\$ <u>17,494,574</u>

Notes: (1) Source: Individual District's Financial Records
(Amount includes all long term debt presented on Statistical Schedule 11.)
(2) Source: Jackson County Tax Assessor.
(The percentage is based on the ratio
of Central Point Assessed Value within each School
District to the total Assessed Value of each School District.)

Schedule 14
Legal Debt Margin Information
Last Ten Fiscal Years

<u>Fiscal Years Ended June 30,</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Debt limit	\$ 14,561,976	\$ 17,873,161	\$ 19,607,517	\$ 21,455,138	\$ 30,361,830
Total net debt applicable to debt limit	-	-	-	-	-
Total net debt applicable to debt limit as a percentage of debt limit	\$ <u>14,561,976</u>	\$ <u>17,873,161</u>	\$ <u>19,607,517</u>	\$ <u>21,455,138</u>	\$ <u>30,361,830</u>

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 40,231,590	\$ 47,693,913	\$ 57,427,438	\$ 48,638,213	\$ 42,860,002
Total net debt applicable to debt limit	-	-	-	-	-
Total net debt applicable to debt limit as a percentage of debt limit	\$ <u>40,231,590</u>	\$ <u>47,693,913</u>	\$ <u>57,427,438</u>	\$ <u>48,638,213</u>	\$ <u>42,860,002</u>

Legal Debt Margin Calculation for Fiscal Year	<u>2010</u>
True Cash Value	\$ 1,428,666,739
Debt Limit at 3% of True Cash Value	42,860,002
Amount of Debt Applicable to Debt Limit:	
Total bonded debt	
Tax Obligation Bonds	\$ 352,492
Less: Deductions allowed by law	
Tax Obligation Bonds	\$ <u>352,492</u>
Legal Debt Margin	\$ <u><u>42,860,002</u></u>

Schedule 15
City of Central Point, Oregon
Pledged Revenue Coverage
Last Ten Fiscal Years
(budgetary basis of accounting)

Utility System Revenue Notes (1)

Fiscal	Gross	Less: Operating	Plus: Interest	Net Available For Debt	Debt Service		Coverage
					Requirements		
2001	\$ 1,574,205	\$ 1,194,853	\$ 7,374	\$ 379,352	\$ -	7,374	213
2002	1,680,834	1,855,566	7,374	(174,732)	-	7,374	228
2003	1,712,617	1,820,927	7,374	(108,310)	-	7,374	232
2004	2,068,715	1,854,352	7,374	214,363	-	7,374	281
2005	2,020,840	1,702,884	7,374	317,956	-	7,374	274
2006	2,698,419	2,947,621	7,374	(249,202)	-	7,374	366
2007	2,694,693	2,796,492	7,374	(101,799)	-	7,374	365
2008	2,480,736	2,654,720	7,374	(173,984)	-	7,374	336
2009	2,377,591	2,850,993	7,374	(473,402)	-	7,374	322
2010	2,173,483	3,156,349	6,824	(982,866)	-	6,824	319

Notes:

- (1) Includes Erickson Waterline note payable only
- (2) To be paid from gross water revenue
- (3) Based on gross water revenue

Schedule 16
City of Central Point, Oregon
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year Ended	Popula- tion (1)	Per Capita Income (\$) (2)	Personal Income (4)	Median Age (4)	Education Level In		School Enrollment Average Daily Members (3)	Unemployment Rate (%) (Jackson Co.) (2)
					Formal Schooling	High School/College		
2001	13,460	\$ 25,505	\$ 343,297,300	34	86%	14%	4,584	6.1
2002	14,120	26,477	373,855,240	34	86%	14%	4,620	7.4
2003	14,750	26,617	392,600,750	34	86%	14%	4,651	6.9
2004	14,950	28,531	426,538,450	34	86%	14%	4,624	7.1
2005	15,640	30,133	471,280,120	34	86%	14%	4,545	6.7
2006	16,550	31,785	526,041,750	34	86%	14%	4,647	6.0
2007	17,250	33,516	578,151,000	34	86%	14%	4,575	6.1
2008	17,025	34,506	587,464,650	34	86%	14%	4,668	6.7
2009	17,160	*N/A	*N/A	34	86%	14%	4,664	13.4
2010	17,165	*N/A	*N/A	38	86%	14%	4,579	12.0

Source:

- (1) Certified by the Center for Population Research and Census, Portland State University
- (2) State of Oregon Employment Division; average for 12 months ended June 30th of each year.
- (3) School District # 6; using May of each year.
- (4) U.S. Census of 2000

Note:

- (1) *N/A Data not available at November 10, 2010

Schedule 17
City of Central Point, Oregon
Principal Employers
Current Year and Nine Years Ago

Employer	Fiscal Year 2009/10			Fiscal Year 2007/08 (1)		
	Employees	Percent of Total City Population	Rank	Employees	Percent of Total City Employment	Rank
School Dist 6	550	3.20%	1	600	3.52%	1
USF Reddaway	137	0.80%	2	120	0.70%	2
City of Central Point	89	0.52%	3	110	0.65%	3
Albertsons	70	0.41%	4	80	0.47%	4
Grange Co-op	58	0.34%	5	70	0.41%	6
Providence Medical Group	46	0.27%	6	46	0.27%	8
Rays Food Place	42	0.24%	7	53	0.31%	7
Shari's	37	0.22%	8	44	0.26%	10
Quality Fence	35	0.20%	9	45	0.26%	9
McDonalds	33	0.19%	10	-	-	-
Pilot Travel Center	-	-	-	75	0.44%	5
Total	1,097	6.39%		1,243	7.29%	

Source: City of Central Point Finance Department

Note: (1) Accurate data was not readily available for the 10 year look back period of fiscal year 2000/2001.
(2) Information first presented in the 2007-08 CAFR

Schedule 18
City of Central Point, Oregon
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Government										
Administration	2.00	2.00	2.00	2.00	2.00	4.00	4.00	3.00	3.25	4.00
Finance	5.00	5.00	5.00	5.00	6.00	7.00	7.00	7.00	8.00	7.50
Human Resources	-	-	-	-	-	1.00	1.00	1.00	1.00	1.00
Community Development	4.00	3.00	5.00	5.00	6.00	6.00	5.00	5.50	5.50	4.50
Public Safety										
Police	25.00	25.00	25.00	26.00	27.00	27.50	28.00	28.00	28.25	28.50
Physical Environment										
Building	5.00	5.00	6.00	6.00	6.00	6.00	6.00	4.00	2.50	1.50
Public Works	15.00	17.00	12.00	13.00	14.00	18.00	18.69	18.86	18.50	17.25
Transportation										
Streets & Fleet	6.00	7.00	6.00	6.00	6.00	8.00	7.31	6.64	6.00	6.00
Culture/Recreation										
Parks	-	-	-	-	-	-	-	3.00	5.00	3.50
Recreation	-	-	-	-	-	-	2.00	2.00	2.00	2.50
Total	62.00	64.00	61.00	63.00	67.00	77.50	79.00	79.00	80.00	76.25

Source: City of Central Point Finance Department payroll records

Schedule 19
City of Central Point, Oregon
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Building Inspections										
Building Permits Issued	319	351	306	311	326	251	179	97	57	28
Finance										
Accounts Payable Checks Processed	4,213	4,515	4,765	5,169	5,334	5,519	4,105	5,030	3,548	1,513
Business Licenses					999	1,056	1,000	1,003	882	913
Average Number Utility Accounts	4,178	4,391	4,640	4,978	5,145	5,209	5,907	6,030	6,044	6,128
Public Works - Street Division										
Streets Cleaned (Miles)								800	800	800
Man Holes Inspected								198	198	198
Curb Inlets & Catch Basins Inspected								583	583	583
Water/Storm										
Fire Hydrants Flushed & Serviced								215	215	215
Water Valve Actuations								620	620	620
Water Meters Read								67,968	67,968	67,848
Blow-off Valves Flushed								18	18	18
Stormdrains Flushed & Cleaned (Miles)								16	16	16

Source: City of Central Point Records

Note: This is a new schedule; much of the information for prior years has not been kept and is therefore not available.

Schedule 20
City of Central Point, Oregon
Capital Asset Statistics By Function/Program
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Sub Station	0	0	0	0	0	1	1	1	1	2
Other Public Works										
Miles of Streets	48.95	68.33	70	71	71	71	71	71	71	71
Parks and Recreation										
Park acreage	22.32	28.56	31.49	31.49	41.92	71.87	134.87	135.12	186.48	187.93
Number of community parks	6	8	11	11	13	14	15	16	16	17
Number of neighborhood parks	2	3	3	3	3	4	5	5	5	5
Water										
Water Mains (miles)	68.4	63	73	73	73	77	77	77	86	89.7
Maximum Plant Capacity (MPG)									904	913
Fire Hydrants										

Source: City of Central Point Finance Department

Note: This is a new schedule; much of the information has not been kept and is therefore not available.



CITY OF CENTRAL POINT
JACKSON COUNTY, OREGON

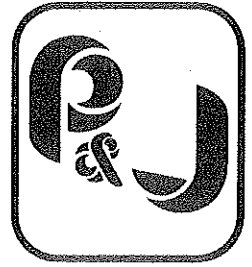
2009 – 2010 INDEPENDENT AUDITORS REPORT
REQUIRED BY STATE REGULATIONS



PURKEYPILE & JOHANNSEN
CERTIFIED PUBLIC ACCOUNTANTS LLP

ROBERT W. PURKEYPILE, CPA
FREDERIC C. JOHANNSEN, CPA
CHRISTOPHER V. DYE, CPA

TRUDY J. BROWN



Independent Auditor's Report
Required by Oregon State Regulations

We have audited the basic financial statements of the City of Central Point as of and for the year ended June 30, 2010, and have issued our report thereon dated November 5, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Central Point's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the

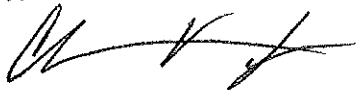
provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

This report is intended solely for the information and use of the council members and management of the City of Central Point and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Purkeypile and Johannsen CPAs LLP

A handwritten signature in black ink, appearing to read 'C. V. Dye', is written over a horizontal line.

By Christopher V. Dye, CPA
Partner

Medford, Oregon
November 18, 2010

